Failure to Balance Budget Imperils Canada's Credit

TRUST AND LOAN CO'S. ANNUAL SUPPLEMENT PAGES 11 TO 15

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The Nation's Business

Taxes, More Taxes, But Little New Economy

Government Dodges Job of Balancing Federal Budget

Canadian Credit Is Imperilled

Who Fell Down In Match Plant Inspection?

Budget Avoids Facing Issue

MR. RHODES' second budget is a much more drastic financial document than well-informed observers would have forecast a month ago. Something has happened at Ottawa. The Government has suddenly become seized of the hazardous position of the national finances and has made a last minute effort to avoid the dangers of another widely unbalanced budget.

But the effort is a sorry one. Again taxation is substituted for economy. Again the chance to make certain that Canada will avert a financial crash is thrown away. Last year a host of new taxes were piled upon the people; they were designed to increase revenues by $55,000,000. But even with the new taxes, the revenues have fallen $18,000,000 below the previous year. The wealth and income simply has not been there to tax.

Again this year the Government imposes a long list of new taxes; some of them are theoretically good taxes, if taxes there must be; some are dangerous taxes. They are designed to produce $70,000,000 of new revenues. The Government, of course, hopes they will produce more. It is praying for a return of prosperity. But the exceedingly onerous new taxes will not help to stimulate business. There can be no prosperity when the Federal Government plans to spend between 20 and 25 per cent of the net income from production in Canada.

* * *

NO SENSIBLE person expected to avoid new taxation. It has been obvious that the greatest measure of economy possible would not entirely balance the federal budget. But a minister of finance who asks for sacrifices should be able to present evidence of some equality in the sacrifice. He should be able to show that the major portion of the burden of meeting the financial crisis, in which the Government finds itself, has not been put upon the tax-paying public, as a charge against the greatly reduced productive income of the country, but that economy too has had an equal place. There is economy in the budget but the measures of economy are a poor second to new taxation in the programme.

What are the facts:

In the current fiscal year the Government will show a deficit of about $147,000,000. There are several ways of figuring the Government's deficit but it may be fairly set forth as follows:

Dominion Deficit, 1932-33

Ordinary expend.	$364,400,000
Special expend.	42,500,000
C. N. R. Deficit	53,400,000
Non-active loans	2,000,000
Total expend.	$462,300,000
Less: Revenue	315,300,000
Deficit	$147,000,000

The figure may, on final examination, prove to be a couple of million dollars larger or smaller. But it represents very slight improvement upon the figures for the previous year, when the deficit was over $150,000,000.

This record of financial results of Dominion Government operations in recent years is particularly illuminating:

Eight Years Record

	Surplus	Deficit
1925-26	$38,000,000	
1926-27	69,000,000	
1927-28	81,000,000	
1928-29	104,000,000	
1929-30	54,000,000	
1930-31		$88,000,000
1931-32		154,000,000
1932-33		147,000,000

* * *

THE Government is budgeting for another deficit in the coming year, a deficit of $81,000,000, according to the figures of the Minister of Finance. Assembling estimates from different parts of his address, this anticipated deficit is about as follows:

Dominion Deficit, 1933-34

Ordinary expend.	$355,400,000
Special expend. & non-active loans	35,000,000
C. N. R. deficit	48,000,000
Total expend.	$438,400,000
Less: Revenue	357,200,000
Deficit	$81,200,000

The significance of these figures is that total expenditures of the Government on all current accounts for the coming year are expected to be only $24,000,000 less than last year. This includes anticipated savings of $5,000,000 on the Can-

(Continued on page 2, col. 3)

PIECES MISSING ONTARIO POWER JIG-SAW PUZZLE

Two Way Purchases of Unneeded Power Remain Unexplained

ONT. GOVT. QUIZZED

Power Commission Gets 97 p.c. of Ontario Power Bonds—Claim Against Abitibi Possible

Four questions of absorbing interest to the taxpayers of Ontario, if not to the former bondholders of Ontario Power Service Corp., demand clear explanation as a result of information given by Hon. J. R. Cooke, chairman of the Ontario Hydro-Electric Power Commission, in the Ontario Legislature on March 15, in answer to various questions asked:

1. Why was the enterprise ever undertaken in 1930 when for a greater part of the power to be developed there was no market in sight?

2. Why did the Hydro-Electric Power Commission of Ontario agree to buy 85,000 horsepower on completion of the project in October, 1932, increasing purchases later to 100,000 horsepower, when there was outlet for only one fifth of this power?

3. Why did Abitibi Power & Paper Co. consent to buy back a large part of this power sold to Ontario Hydro-Electric Power Commission when it had more than sufficient power in sight for every possible need, anyway?

4. Did these secret and subsequent contracts for buying back power already sold have anything to do with preventing Abitibi Power from financing the Abitibi canyon project to completion as it had engaged itself to do?

As answer after answer is given in the Ontario Legislature to questions concerning the Abitibi canyon project it becomes less and less comprehensible why this project was undertaken when it was, in the spring of 1930, and why work was begun in the fall.

Abitibi Power Record Reviewed

In reviewing this matter under date of Feb. 28, 1933, for the bondholders of Abitibi Power and Paper Co., G. T. Clarkson, receiver and manager, recalls that Ontario Power Service Corp. was incorporated under the provision of Ontario statutes on Nov. 5, 1926, under the name of Hudson's Bay Power Co., which name was subsequently changed to Ontario Power Service Corp. Abitibi Power and Paper Co. obtained a lease from the Ontario Government of a water power site at Abitibi Canyon on the Abitibi River, northern Ontario, and on or about Sept. 1, 1930, construction of a hydro-electric development of an estimated capacity of about 275,000 electrical horsepower was commenced. Estimated costs of construction were stated to be about $23,000,000 and to assist toward the financing Ontario Power Service Corp. on July 1, 1930, created an issue of $20,000,000 5½ per cent first closed mortgage sinking fund gold bonds, maturing on July 1, 1950. These bonds were sold to produce about $17,800,000. Abitibi Power and Paper Co. agreed on its part to provide or obtain any further moneys required to complete the development.

Those Buy-back Contracts

Then there was, unknown to the bondholders, another contract or agreement entered into by Abitibi Electrical Development Co., dated Oct. 1, 1931, by which this subsidiary of Abitibi Power undertook to buy from the Hydro-Electric Power Commission of Ontario 35,000 horsepower for 40 years at the price of $13 per horsepower, but the Commission reserved the right for ten years to take back such portion of the 35,000 horsepower as it might require. The reason for this agreement and the conditions under which it was obtained have never been fully explained. It is supposed that by Oct. 1, 1931, Hydro-Electric Power Commission had awakened to the fact that it would have no outlet for a great proportion of the power which it had contracted to take. This 35,000 horsepower was to be delivered at or near Abitibi Canyon, Ontario.

On Aug. 5, 1932, when the Hydro-Electric Power Commission offered to acquire the bonds of Ontario Power Service, the Hydro-Electric Power Commission had contracts for delivery of power to International Nickel Co. of Canada Ltd., Abitibi Power and Paper Co. Ltd., and Abitibi Electric Development Co. Ltd. These contracts for delivery of power obtained and developed by the Ontario Power Service at Abitibi Canyon included 16,000 horsepower at 4.25 mills per kilowatt hour to be delivered to the International Nickel Co. of Canada with a minimum of $18 per horsepower per year deliverable at Sudbury; Abitibi Power and Paper Co. Ltd., 10,000 horsepower at $22 per horsepower deliverable at Sudbury; and Abitibi Electric Development Co., Ltd., 35,000 horsepower at $13 per horsepower deliverable at Abitibi Canyon. No contracts for delivery of power had been made since Aug. 5, 1932.

The amazing thing in the information given at the Ontario Legislature, and in the report of the receiver of Abitibi Power and Paper Co., is that Abitibi should contract to buy back power when it had al-

(Continued on page 2, col. 6)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

The Budget

Various articles interpret the significance of the new budget proposals.
Failure to cut expenses threatens credit crisis. See The Nation's Business column. Page 1.
How to compute your new income tax. Page 3.
How new export bonus works. Page 3.
Who pays sugar tax. Page 3.
Comments on various tariff items. Page 3.

Salter on Debts

Sir Arthur Salter, eminent British economist, discusses the British war debt to the United States. Page 6.

Good Lenders

The Post's annual review of the trust and loan companies of Canada. Articles on the mortgage situation and an individual analysis of each company. Pages 11 to 15.

Export Power?

Interests in Quebec seek to export some of the province's surplus electric energy thus reversing long established Canadian policy. Page 1.

O. P. S. Jig-Saw

Much new information is available on Ontario Power Service sale to Ontario Hydro but the deal is still a jig-saw puzzle with some of the pieces missing. Page 1.

Abitibi Crash

Too much expansion, based on rosy hopes, wrecked Canada's strongest newsprint company. Page 1.

Up Go Hogs

Improved export demand sends prices of good bacon hogs higher. Farmers and packers are delighted. Page 1.

Quebec Sees Market For Block of Power With Niagara Hudson

Passing of Mercier Bill Would Open Way for Exports

MAY FORM GROUP

Montreal Power, Shawinigan and Beauharnois May Band to Enter U. S. Market

From Our Own Correspondent

MONTREAL.—Niagara Hudson Power Co., one of the largest utility operators in New York States, is mentioned here to be on the market for 300,000 h.p. of Quebec power provided that firm power can be delivered over a lengthy period.

The export of power to New York state from this province is no new matter. At present Cedars Rapids Power and Manufacturing Co., a subsidiary of Montreal Light, Heat and Power Consold., is transmitting power to Massena, N.Y., for the use of the Aluminum Co's plant at that point.

Under normal circumstances the Massena platn uses all the power delivered by Cedars Rapids. Restricted plant operations of late have created a power surplus. It is understood this surplus is being sold to Niagara Hudson which, while wanting the power, is handicapped in its use by the fact that the supply is uncertain—contract said to be on a month to month basis.

Mercier Bill Important

This obstacle can be overcome if the Mercier Bill, now before the Quebec legislature, is put into force. Under this bill, it is proposed to grant operators in Quebec authority to export power to the United States up to a maximum of 300,000 h.p. It is also provided in the bill that this power cannot be sold at rates lower than in Quebec, while the province would collect a royalty of $2 a horepower on energy exported.

The bill has already had its first reading. The second reading will take place in the near future, when the Prime Minister plans to give a lengthy review of the reasons leading up to the introduction of the Mercier Bill and the complete change in the government's policy as regards power production and distribution.

In the past, the Quebec Government has always maintained the stand that the power should not be exported but held for distribution in the province and by its cheapness and abundance be the means of attracting new industries.

This policy has been worked successfully in the past, but the presence of an over-supply of power running into large figures makes it desirable that a market be found. At the same time the provincial treasury would benefit to the extent of a maximum of $600,000 yearly if the power companies were successful in arranging a market for 300,000 h.p. in the United States.

Power operators here are silent on the advantages or disadvantages of the Mercier Bill, declaring it is a governmental bill and that they are not willing to talk until it becomes enacted.

It is understood by The Financial Post, however, that the possibility of marketing 300,000 h.p. in New York State is not as remote as it might be at first thought. It is said that considerable thought has been given to the marketing of the surplus power in the neighboring state and that if authority is secured from the Quebec and Dominion Governments the way will be open to entering into a contract with the Niagara Hudson Power Co. which

(Continued on page 2, col. 5)

Government Confirms Reported Interest Cut

Willingness of the Government to co-operate in reduction in interest rates on bank deposits, by reducing postal savings rates, was announced by Hon. E. N. Rhodes in his budget speech. This confirms The Financial Post's recent exclusive report that the first official announcement on this subject might come from the Government.

The announcement of reduction of the savings deposit rate from three to two and one-half per cent has not been made by the banks but may come at any moment, according to the latest information obtained by The Financial Post. The U. S. banking crisis has delayed action on the Canadian rate. Press reports of a seemingly fantastic proposal that the economy made by lowering bank interest might go to the Government are not borne out by the budget proposals.

Brandram-Henderson Defers Mortgage Bond Interest

From Our Own Correspondent

MONTREAL.—Interest due March 15, on the 6 per cent consolidated mortgage bonds of Brandram-Henderson Ltd., has not been paid.

Under the terms of the trust deed the company is allowed 90 days of grace. It is understood that plans are being discussed whereby some agreement may be reached with bondholders.

At the end of 1931 there were $837,000 of these bonds outstanding of an original issue of $1,200,000 maturing 1939.

The company ranks as one of the leaders in the paint and varnish industry in Canada and its current position reflects the difficult problem faced in the past three years. Continued declines in building activity, now at the lowest ebb in many years, have blocked sales outlets, while price cutting in higher grades of paint have narrowed margins of profit.

It is interesting to note that Sherwin-Williams Co. of Canada, another large paint company in which there is a public investment interest, recently omitted payments on its preferred stock which is its senior obligation to the public.

Senior Issue Ahead

The consolidated mortgage bonds are secured by a direct lien on fixed assets, subject to first mortgage, by a floating charge in current assets and by direct lien on the stock of Alberta Linseed Oil Co., a subsidiary capitalized at $300,000. The last balance sheet showed that at December 31, 1931, $172,000 of the consolidated mortgages were held in escrow for retirement of the first mortgage bonds; $168,000 had been redeemed through sinking fund and $23,000 was held by the trustee for sinking fund. The issue was offered in 1919 by Nesbitt Thomson and Co., Montreal, and J. C. Mackintosh and Co., Halifax at 94½.

No definite plans for the future have been furnished to bondholders of Brandram-Henderson yet. Senior to the consolidated mortgages there are $169,600 of 6 per cent first mortgage bonds maturing in 1936. Next interest payment is due April 1.

Capital structure includes $500,000 of 7 per cent preferred and $1,179,000 of common stock. Payments on the preferred were omitted a year ago after being maintained without interruption since 1912. The last payment to be made on the common was in 1931 when disbursements of $1.50 a share were made. In that year there was a deficit of $245,123 after all charges and dividends; surplus at profit and loss was reduced to $655,156.

MANY ISSUES ARE EXEMPTED FROM BOND TAX

Effect of 5 p.c. on Income of Foreign Holders in Doubt

RAISE $7,800,000?

Federal Obligations and Guarantees Are Free from Tax in Some Cases

Effect of imposition of a 5 per cent tax on interest and dividends paid by Canadian debtors to creditors non-resident in Canada showed no immediate reaction in bond prices. Bond dealers are by no means certain of the ultimate effect on foreign buyers of Canadian bonds although the consensus is that under present conditions the tax will not have serious consequences. When the New York market opens up to new Canadian issues, such a tax may have an adverse effect on selling Canadian bonds.

As a result of reciprocal arrangements in effect between Canada and the United States, American holders of Canadian bonds will be able to claim exemption for the 5 per cent tax paid to the Dominion Government on their income from Canadian securities. The nuisance attached to filing a claim for exemption may influence some investors to sell their Canadian securities but the volume of such selling will be small according to current opinion in Canada.

Estimate Revenue

The revenue to be derived from this tax is difficult to estimate. Figures compiled by A. E. Ames & Co. indicate that Canadian bond interest payable in the United States during 1933 will total some $81,000,000. This does not include interest payable in United States funds to Canadian holders. On this total the tax payable would be some $4,050,000 for the full year or $3,000,000 for the remainder of 1933 if no provision is made for exemptions.

The tax of 5 per cent on Canadian securities with interest payable in funds which are selling at a premium in terms of Canadian funds will be deducted at the source and will affect Canadian holders of New York payment bonds. Little objection is taken to this tax since with New York funds at a high premium the Canadian holders of New York payment bonds are receiving a much higher bonus than was ever anticipated. Interest payable to Canadians in New York funds is estimated at some $75,000,000 for 1933 providing a return to the government of $3,750,000 for the full

(Continued on page 2, col. 1)

HOG PRICES UP 50 P.C. IN FEW WEEKS

Export Bounty Will Give New Impetus to British Quota Plan

A favorable rate on sterling and the first manifestation of the new British quota system restricting foreign imports of hogs have jumped hog prices in Canada almost 50 per cent in the past few weeks and are adding roughly between $175,000 and $200,000 weekly to the hog-money of Canadian farmers, The Financial Post learns. Prices are still rising to the delight of farmers and packing house firms in Canada.

News of an exchange stabilization bounty in the Rhodes budget this week is added good news to the industry.

At the end of November Great Britain introduced a 20 per cent restriction on the import of hogs from foreign countries. The restriction was based on imports during the first 6 months of 1932, but did not apply the Empire countries. Canada, as the chief source within the Empire (next to I. F. S.), of bacon and hams, was given a quota permitting imports of pig products to the extent of 2,500,000 cwts. annually. This was more than nine times the amount of our best export showing during 1932.

During December and January little benefit was felt here for the new regime but beginning in February, prices in Canada and Britain firmed considerably and within the last few weeks have risen steadily and have regained virtually all the ground lost since last summer and early autumn. The trend is shown in the following table:

Monthly Average:	Average Price of Bacon Hogs at Toronto (per 100 lb.)	Price Range of Can. Bacon in U.K. (in shillings per long cwt., 110 lb.)
1932. July	$5.03	53
August	5.21	62/6
Sept.	5.11	63/6
Oct.	4.50	49/6
Nov.	3.92	55
Dec.	3.97	57/6
1933. January	3.76	46
Weekly Average:*		
1933. Feb. 2	3.65	46-50
9	3.68	46-50
16	3.78	52-55
23	3.85	54-57
Mar. 2	4.05	60-63
9	4.55	62-65
16	5.04	62-65

*Weekly price range for U. K. bacon.

Just how the quota is beginning to operate is indicated by data show-

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Nation-wide Tax Possible To Meet Rail Deficits

OTTAWA.—One of the most important announcements in the budget is barely hinted at and has received little or no attention hitherto. Hon. E. N. Rhodes declared:—"The proposed increases in taxation represent as drastic a fiscal programme as should be contemplated at the moment, ALTHOUGH FURTHER PROPOSALS WITH RESPECT TO THE RAILWAY DEFICIT ARE SUBJECT TO REVIEW BEFORE THE CLOSE OF THE SESSION."

The real meaning of this statement, it is learned, is that the Government is seriously considering and probably will bring down within a few weeks, a special tax to meet the National Railways deficit. This tax is believed to be a one per cent charge upon all incomes, personal and corporate, in Canada.

Too Many Irons in Fire Drained Abitibi Assets As Shown by Receiver

Company from 1928 On Undertook Huge Commitments Which Could Only be Met if Banks and Security Markets Remained Readily Available to Finance Needs

Abitibi Power & Paper Company's bondholders' protective committee is giving bondholders plenty of food for thought by mailing them currently a voluminous but clear and thorough report from G. T. Clarkson, receiver and manager, and a consolidated financial statement by Price, Waterhouse & Company covering the situation of the company on September 10, 1932, when the receiver took charge.

From the data set forth in these documents the following facts become apparent:

1. Abitibi Power & Paper Company earned in 1932 up to September 10 an amount of $1,005,823 compared with $5,199,946 in 1931, and receiver reports that the company earned $300,000 from September 10 to October 31 before depreciation, interest on capital obligations or interest on advances made to the company prior to the receivership.

2. Abitibi Power's working capital, after deducting Provincial Paper Company's net current assets of $3,098,964 shown at the end of 1931, dropped from $7,810,364 at the end of 1931 to $281,631 on September 10, 1932, in the consolidated statement and in the receiver's statement there was a large deficiency as his statement was not a consolidated one.

Chickens Come Home to Roost

3. Abitibi Power dropped from a position of seeming high solvency in 1931 to a receivership in 1932 because in 1932 chickens came home to roost from the huge commitments made during the quick expansion fever period from 1928 to 1930 inclusive, and most especially because of its engagements to buy Thunder Bay Paper Co. and to get somehow $5,000,000 to finish the Abitibi Canyon power project of Ontario Power Service Corp.

4. Because Abitibi Power & Paper Co. may have to pay $400,000 annually in principal and interest just to meet obligations incurred under purchase agreement as well as operating losses or shut-down carrying costs of Thunder Bay property, those interested in welfare of company will have to consider seriously whether or not it would be advisable to drop the whole project even though Abitibi Company would thus lose its investment of $6,000,000 in the undertaking.

5. Because it would cost Abitibi Power $323,000 annually to continue to carry the Murray Bay paper mill, which has never been operated, consideration may be given to abandoning this enterprise.

May Abandon High Cost Mills

6. Because the Espanola and Sturgeon Falls mills taken over with Spanish River Pulp & Paper Co. are high-cost mills that can only be operated at a loss, consideration will also be given to measures to get out of this heavy expense for carrying.

7. With two thirds of the mills closed down, it turns out that shut-down expense is very heavy, especially because of commitments for power in connection with each mill.

8. Royal Bank now occupies an outstanding position as creditor of Abitibi Power & Paper Co. in connection with Thunder Bay Paper Co. purchase.

The company's situation is the result of commitments made in connection with expansion plans during and since 1928. Every entirely new enterprise undertaken apparently had a good deal to recommend it but the taking over of other companies with second-hand or greatly depreciated machinery has proved in the time of dropping newsprint prices a mill-stone around the neck of the company. As the higher-cost mills have been closed one after the other, the long-term engagements for power in each case have remained as a cost legacy for which there was no offsetting revenue.

The company's position has been hampered in the last year or so increasingly also because the existence of large piles of wood obtained at considerable cost for the higher-cost mills has made the company keep open mills which otherwise would have been closed and reduce operations at such a low-cost mill as Iroquois Falls in order to use up the wood piles accumulated elsewhere. Even at that it has not been able to open such high cost mills as those at Espanola and Sturgeon Falls, even though the wood piles have been deteriorating rapidly. The company now faces the prospect of a heavy loss either by letting the wood piles go to complete ruin or save something by trying to salvage as much as possible by removing the wood to the Sault Ste. Marie mill.

Had Two Low Cost Mills

Mr. Clarkson reported the company as having on September 10, 1932, when he took over, two low cost mills including the Iroquois Falls mill with a rated capacity of 186,000 tons per annum and the Pine Falls mills with a rated capacity of 78,000 tons per annum. Concessions and limits tributary to the Iroquois Falls mill occupy 4,529 square miles with pulpwood thereon estimated at 11,238,703 cords of 89 solid cubic feet in addition to some freehold lands held by Hebecourt Corp. in Quebec. The gross value of these holdings is given as $12,000,000, or a net book value of $6,000,000 after deducting capital surplus and depletion reserves. The book investment in the mill and equipment is also shown at $19,768,935 as well as $1,840,093 in townsite, real estate and buildings, $1,821,188 in railway properties and equipment, and almost $600,000 in boats, barges, booms, piers and other equipment and furnishings. That makes a total of $24,025,876, or a net balance of $16,017,251 after deducting reserves.

There are in that property 37 mill buildings of reinforced concrete and steel and most of them were erected from 1913 to 1916 with the remainder going up in 1920, 1921 and 1925.

The timber concessions tributary to the Pine Falls mill of Manitoba Paper Co., which was obtained in 1928, are estimated to contain 2,500,000 cords of pulpwood which, however, the Province of Manitoba has the right to cancel in view of the closing down of the mill. Cost of power from the Manitoba Power Co. is $264,000 per annum to the end of 1936. Including power bills shut down cost of the mill amounts to $340,000 per annum. Efforts are on foot to relieve the company of the larger part of such carrying costs and liabilities by compromise or receivership.

Four Other Good Mills

Then Mr. Clarkson reports the following mills to be efficient manufacturing units: Ste. Anne mill, 186,000 tons per annum; Thunder Bay mill, 78,000 tons per annum, subject to payments of balance of purchase price for the capital stock of Thunder Bay Paper Co.; Sault Ste. Marie mill, 78,000 tons; and the Fort William mill, 52,000 tons per annum.

Mills reported as of less efficiency are the following: Murray Bay mill, 34,000 tons; Sturgeon Falls mill, 46,000 tons; and Espanola mill, 100,000 tons.

Of the total annual tonnage capacity of 730,000 tons therefore the receiver finds plants with output of

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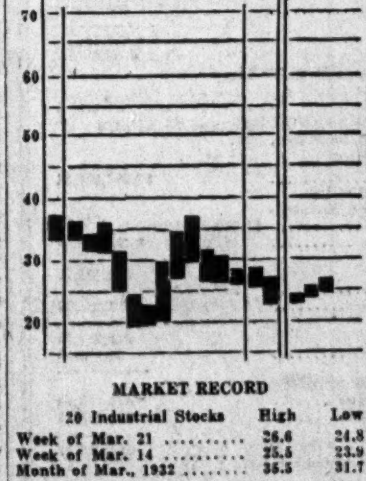
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Mar. 21	26.6	24.8
Week of Mar. 14	25.5	23.9
Month of Mar., 1932	35.5	31.7
10 Public Utilities		
Week of Mar. 21	44	42
Week of Mar. 14	43	42
Month of Mar., 1932	56	51
8 Bank Stocks		
Week of Mar. 21	154	153
Week of Mar. 14	155	154
Month of Mar., 1932	203	203

OTTAWA DENIES CAHAN SPEECH CURBS TRADE

Chinese Boycott After Geneva Utterance Not Taken Seriously

FEELINGS RUFFLED

But Mixing of Politics and Business is Customary Thing For Far East Traders

From Our Own Correspondent

OTTAWA.—While there is no dispute here as to the resentment felt by China over the speech made by Hon. C. H. Cahan, Secretary of State, at the special session of the League of Nations Assembly at Geneva, December 8 last, the officials of the Trade and Commerce department deny that Canadian export trade is being subjected to a boycott.

Reports that, due to Mr. Cahan's speech and the consequent indignation of Chinese business men, export orders aggregating several millions of dollars have been cancelled, and future contracts are being awarded to other countries—these reports are not so much denied as discounted by those in charge of the Dominion's trade here.

No Complaints Yet

It is true, according to the officials, that no complaints of any consequence have reached the government to date. And it is equally true that no steps have been taken to smooth over the ruffled feelings of the Chinese; to explain that Mr. Cahan's remarks were not dictated by any unfriendliness to them. Undoubtedly, the Chinese diplomatic representatives in Canada took the matter to the Federal government for explanation, but it is believed that no satisfactory answer—from the Chinese viewpoint—was forthcoming.

Government officials, however, decline to become exercised over the situation. They explain that the Chinese traders are usually upset about some real or imagined slight upon their country, and that scarcely a year passes without there being more than one threat of boycott. They have yet to experience an application of boycott in serious form, and, therefore, are inclined to think that some orders which are lost to Canada through straight business competition are set down to political causes.

Mix Politics and Business

Chinese traders, they aver, are experts at the mingling of politics and business. If a big grain exporter misses an order from China by a fractional cent per bushel, the Chinese importer, as a rule, does not say "Your price was a shade too high and I have given the order to so-and-so who underbid you." This might actually be the case, but the importer would say: "Such is the feeling in China against your

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Canada Trust	12	Osler & Nan. Tr.	13
Capital Trust	12	Okanagan Loan	13
Central Trust	12	Premier Trust	13
Chartered Tr.	12	Prudential Tr.	13
Community Tr.	12	Royal Trust	13
Commercial Tr.	12	Sask. Gen. Tr.	13
Crown Trust	12	Sherbrooke Tr.	13
Eastern Trust	12	Soc. N. de Fid.	13
Equitable Trust	12	Sterling Tr. B.C.	13
Exec. & Admin.	12	Sterling Trusts	13
Fidelity Trust	12	Sun Trust	13
Fidelity Trusts	12	Tor. Gen. Tr.	13
General Trust	12	Trust & Loan	13
General Trusts	12	Trusts & Guar.	13
Grey & Br. Tr.	12	Union Trust	13
Guaranty Tr.	12	Victoria Tr.	13
Guelph Tr.	12	Waterloo Tr.	13
Industrial Mtge.	13	Western Tr.	13, 14
Imperial Tr.	12	Winnipeg Tr'ee	14
Lond. & W. Tr.	12		

LOAN COMPANIES

Can. Perm. Mtge.	14	Mtge. Co., N.S.	15
Capital Loan	14	Niagara F. Bldg.	15
Central Can. L.	14	Northern Mtge.	15
Credit Foncier	14	N. Can. Mtge.	15
Crown Sav. & L.	14	N. Scotland Mtg.	15
Comp. Foncier	14	N. S. Savings	15
Deb. Co. of Can.	14	Ont. Loan & D.	15
E. Canada Sav.	14	Provident Inv.	15
E. Lambton Loan	14	Real Est. Loan	15
Empire Loan	14	Realty Sec's.	15
Guelph & O. Inv.	14	Sask. Loan	15
Home Bldg.	14	Security Loan	15
Home Invest.	14	Société de P.	15
Hudson B. Mtge.	14	Toronto Mtge.	15
Huron & Erie	14	Tor. Sav. & L.	15
Int'l Loan	15	W. Can. Inv't.	15
Inv. Co. Can.	14	W. Can. Mtge.	15
Lambton Loan	14	Western Homes	15
Landed Banking	14	W'minster Mtge.	15
Midland Loan	14	Yarmouth Bldg.	15
Montreal L.	14, 15		

EATON'S MEN'S FURNISHINGS SHOP

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MAIN FLOOR—YONGE STREET

T. EATON Co LIMITED

The Nation's Business

(Continued from Page One)

adian National Railways and the pious hope of a reduction in special expenditures and advances of about $9,000,000.

The cut in the ordinary expenditures is ridiculously small. The Government promises merely to reduce these expenditures by $9,000,000—from this year's expenditures of $364,400,000 to next year's expected expenditures—even after the 10 per cent cut in department votes—of $355,400,000.

In brief, the Government plans to cut its budget deficit by $66,000,000. And to do this it imposes new taxes to effect a net increase in income, after allowance for the diminishing returns from current taxes, of $42,000,000 and it effects economies of one kind and another of $24,000,000.

But a more significant comparison is between the cuts in ordinary expenditures and the amount expected to be raised by the new taxes.

The cut in ordinary expenditures is $9,000,000 — and supplementary estimates, including the cost of the new farm export bonus may wipe out a large part of this—but the new taxes are intended to extract an additional $70,000,000 from the people.

And in addition the Government hints at another tax to look after the C. N. R. deficit.

* * *

THE shock and pain caused to Canadian people by this unbusiness-like, brutal disregard of the tax burdens under which they are laboring is a matter serious to contemplate. The Government has simply toyed with the idea of economy and has shown almost the minimum amount of courage and resources in handling the situation.

One may wonder if the cabinet has any genuine appreciation of the national financial emergency that exists and that could easily become a credit crisis of prime magnitude.

Of vast importance is the probable reaction of this budget plan upon Canada's credit position at home and abroad. The effect cannot but be harmful. It is harmful because in the first place the budget is not to be balanced; it is harmful because expenditure cuts are of the meagrest; it is harmful because another year of borrowing to meet deficits is assured; it is harmful because already excessive taxation upon producers is greatly increased; it is harmful because serious tax burdens are imposed against those who have invested their money in Canada or might be expected to invest their money in Canada.

* * *

ASSURANCES that Canada will pursue a sound money policy; pleas to the Canadian people to make sacrifices to balance the ordinary expenditures, will not convince the hard-headed penetrating investors at home and abroad that Canada has seriously tackled the problem of setting its financial house in order.

The new and higher taxes would willingly have been paid had the Government contributed its share of relief by a cut in expenditures as drastic as the increase in taxes. Canada's credit would have been enhanced; the success of refunding loans would have been assured instead of being placed in doubt. All classes of people would have felt impelled, as were the people in Britain in 1931, and as are the people of the United States today, to join together in a nation wide effort to re-establish the country's finances on a sound basis.

Serious reflection upon the position of the national finances, as revealed by the budget, must have a sobering influence. The problem of protecting public and private credit in Canada from crisis such as has been experienced in Britain and the United States has not been lessened; rather it has been enhanced by the budget proposals of this week.

The Government has failed in its most important duty to the people.

Who Is Responsible in the Match Fire?

FOR a dozen years or more the various provinces of Canada have maintained special departments in each jurisdiction to wrestle expressly with problems of fire prevention. In addition Canada boasts a Dominion Fire Commissioner at Ottawa who is supposed to keep a vigilant and alert eye on special fire prevention problems in all parts of the Dominion and to achieve co-operation among provincial and other interested bodies.

The expense of the federal department is maintained directly out of the federal purse but the provincial bodies derive their funds from a direct tax on fire insurance companies. Altogether the cost is considerable but the game has been thought to be well worth the candle as an ounce of prevention in the case of fire hazards can usually be measured directly in an incalculable saving of both lives and property. The ghastly occurrence at the Canada Match plant recently would seem to suggest, however, that someone has been grossly negligent in the discharge of duties for which fire prevention officers are supposed to be responsible. Where the blame lies we are not prepared to suggest but apparently once the fire started the plant turned out to be a veritable fire trap. Past history in the carrying on of the match-making business in Canada would appear to suggest that in many cases unless these companies are very closely supervised, irregularities of manufacture are prone to creep in which open the way for loss of life and property such as occurred at Hull.

The Financial Post has long given its support to the work of fire prevention in Canada and it fears that confidence in the Quebec and Ottawa departments will be undermined unless it can be proven that every precaution was taken to ensure that proper preventive measures were adopted at the Canada Match plant. It is not enough for Dominion Fire Commissioner J. Grove Smith to announce as he did this week that precautions will henceforth be taken to ensure rigid inspection and control in all plants. His department and the department at Quebec have been maintained for years for this very purpose and if they have been negligent in their duty the public should know.

MANY ISSUES ARE EXEMPTED FROM BOND TAX

(Continued from page 1)

year or $2,800,000 for the remaining nine months of 1933.

Certain Dominion of Canada direct and guaranteed obligations are free from the tax on both domestic and foreign holders, while on others the domestic holder pays and the foreign holder is exempted. Some provincial issues such as the Nova Scotia 4½'s, due 1948, are also exempted but in this case the tax is paid by the province while the Canadian National Railways will also absorb the tax. A number of the sterling payment issues are tax free as well as the bonds payable in New York funds.

A list of issues partially held in the United States and on which foreign holders are not liable to the tax, and a list of the issues on which domestic holders are not liable for tax is as follows:

Tax Free to Both Foreign and Domestic Holders

Dominion 5's, due March 1, 1937.
C. N. R. 4¾'s, due June 15, 1955.
C. N. R. 4½'s, due Dec. 1, 1968.
C. N. R. 5's, due Oct. 1, 1969.
C. N. R. 4½'s, due Sept. 1, 1951.

Tax Free to Foreign Holders Only

Dominion 5½'s, due Nov. 1, 1938.
Dominion 4's, due Oct. 1, 1938.
Dominion 4's, due Oct. 1, 1960.
Dominion 5's, due May 1, 1952.
Dominion 5's, due Aug. 1, 1935.
Dominion 4½'s, due Feb. 1, 1936.
Dominion Conversion loan 4½'s, due 1958 are exempt up to November 1, 1933.

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CONSOLIDATED BALANCE SHEET

Ottawa Light Heat and Power Company, Limited

and Subsidiary Companies

The Ottawa Electric Company and The Ottawa Gas Company

as at 31st December, 1932

ASSETS		
FIXED:		
Property, Plant and Equipment		$12,539,435.78
CURRENT:		
Cash	$ 650.00	
Investments		
Dominion of Canada Bonds (Market Value $290,250.00)	270,000.00	
Company's Bonds purchased for Retirement on or before 1st January, 1934 (Par Value $97,500.00)	92,006.75	
Other Investments	600.00	
Accrued Interest on Investments	3,589.56	
Accounts and Bills Receivable	526,731.33	
Inventories	158,308.28	
		1,051,885.92
DEFERRED CHARGES:		
Premium on Redemption of Bonds and Financing Expenses	407,599.26	
Expenses re Legal Action arising out of Sewer Explosions in 1931	42,376.89	
Sundry Expenses applicable to future operations	17,041.78	
		467,017.93
		$14,058,339.63
LIABILITIES		
FUNDED DEBT:		
Ottawa Light, Heat and Power Co. Ltd. 5% Refunding and Collateral Trust Sinking Fund Gold Bonds, Series "A" due 1957—Authorized $6,000,000.00, Issued	$4,225,000.00	
Less: Retired by Sinking Fund	200,000.00	
The Ottawa Electric Company 5% Refunding and First Mortgage Gold Bonds due 1933—Issued	625,000.00	
The Ottawa Gas Company 5% First Mortgage Consolidated Gold Bonds due 1934—Issued	150,000.00	
		$4,800,000.00
CURRENT:		
Bank Loan	265,000.00	
Bank Overdraft	32,265.91	
Accounts Payable and Accrued Liabilities	123,349.47	
Dividends Payable 1st January, 1933		
Preferred Stock	24,375.00	
Common Stock	52,500.00	
Accrued Bond Interest	56,666.59	
		554,156.97
CAPITAL STOCK:		
Authorized $10,000,000.00		
Issued:		
6½% Cumulative Redeemable Preferred Stock 15,000 Shares at $100.00 each	1,500,000.00	
Common 35,000 Shares at $100.00 each	3,500,000.00	
		5,000,000.00
RESERVES:		
Capital Reserve	1,500,000.00	
General Reserve	670,000.00	
Reserve for Depreciation	1,221,148.73	
Reserve for Bad and Doubtful Debts	60,905.56	
		3,452,054.29
SURPLUS		252,128.37
		$14,058,339.63

CONTINGENT LIABILITIES:
Judgment in Action for damages (In Appeal) $3,000.00

Approved on behalf of the Board:
W. LYLE REID (Director) W. C. PITFIELD (Director)

STATEMENT OF REVENUE and EXPENDITURE and SURPLUS
For Year ended 31st December, 1932

REVENUE		
Gross Income from all sources		$2,284,043.71
EXPENDITURE		
Gross Cost of Management, Operation and Maintenance (not including Taxes)	$1,433,420.88	
Federal, Provincial and Municipal Taxes	167,517.06	1,600,937.94
		683,105.77
Deduct: Bond Interest	241,931.18	
Less General Interest	8,536.65	233,394.53
		449,711.24
Deduct: U. S. Exchange on Bond Interest		24,556.05
Excess of Revenue over Expenditure before providing for Depreciation, transferred to Surplus		425,155.19
Previous Surplus Adjusted		269,473.18
		694,628.37
Deduct: Dividends paid—12 months to 31st December, 1932		
Preferred Stock 6½%	$ 97,500.00	
Common Stock 6%	210,000.00	
Amount transferred to Reserve for Depreciation	135,000.00	
		442,500.00
Balance at Credit 31st December, 1932		$252,128.37

Audited and certified P. S. ROSS & SONS; CUNNINGHAM & CO.
Ottawa, 18th February, 1933 Chartered Accountants

Taxes on 1932 Incomes Higher for All Brackets

All personal and corporate taxes on 1932 incomes will be considerably higher under the proposed budget changes announced by Hon. E. N. Rhodes this week.

On personal income, the exemption is reduced from $2,400 to $2,000 for married persons and from $1,200 to $1,000 for single persons. Then the rate starts at three per cent on the first $1,000 of taxable income, instead of two per cent. The exemption for dependent children is lowered from $500 to $400. Exemption for parents, grandparents, brothers and sisters in future to be the actual amount expended, up to a maximum of $400 each. The surcharge of five per cent of the tax, levied on gross incomes over $5,000, is continued. The exemption to householders, which formerly gave them the same status as married persons, is to be abolished.

The corporation income tax is raised to be from 11 to 12½ per cent payable on 1932 incomes. If a corporation elects to make a consolidated return, including subsidiaries, the new rate is to be 13½ per cent. The former corporate exemption of $2,000 on gross income is to be abolished. The only sweetening in this bitter pill is the elimination of the five per cent surtax on corporate incomes, which "is to be absorbed into the new rate," as Mr. Rhodes puts it.

The actual meaning of these tax charges is shown on some specific corporate incomes.

HOG PRICES UP 50 P.C. IN FEW WEEKS

(Continued from page 1)

ing imports of bacon and hams into Great Britain in recent months. Current figures indicate that total imports are from 20 to 33 per cent lower than at the end of November, but that in spite of this, Canadian exports have made a slight gain in volume.

The improvement in sterling has also tended to improve the Canadian position considerably. In recent weeks price of sterling in Canada has moved from $3.75 to $4.20 or a gain of roughly 12 per cent. This has tended to bring Canadian prices more closely into line with prices in the sterling "bloc" which includes of course such countries as Denmark, Britain's chief source of supply.

Canada's Place in Trade

Importations of bacon pig products into Great Britain whether in the form of bacon or ham are usually computed in the trade in terms of "hogs." Thus an average weekly importation of 200.000 hogs last year jumped to 264,000 hogs at the end of the year as foreign supplies were dumped on the market to avoid the quota. This has now been reduced to between 175,000 and 180,000 weekly. If Canada were to take full advantage of her quota, she would be eligible to supply roughly 45,000 hogs weekly or almost one quarter of present importations. Actually Canadian importations are currently running at 6,000 a week which is the high mark for recent years. The trend of imports to U. K. in recent months is shown below:

Imports of Pig Products into U. K.

Last week in:	Canada	Denmark	Total
	(in terms of "hogs")		
Oct.	5,000	148,000	229,000
Nov.	3,000	163,000	264,000
Dec.	3,000	152,000	217,000
Jan.	6,000	120,000	187,000
Feb. 18*	6,000	114,000	179,000
Feb. 25*	4,000	118,000	175,000

*Week ending.

Investigate Mining Outlook

Steadily increasing interest on the part of outsiders in the mining possibilities of British Columbia is shown in a report of the B. C. Chamber of Mines at Vancouver, which records the fact that the year 1932 was the most active in the 20 years the bureau has been operating and that over 1,200 enquiries were dealt with, or an average of about four per working day.

TOO MANY IRONS IN FIRE DRAINED ABITIBI ASSETS AS SHOWN BY RECEIVER

(Continued from page 1)

264,000 tons to be low cost manufacturing units, of 286,000 other tons to be efficient manufacturing units and of 180,000 tons to be of "less efficiency." In 1928 the company sold 414,596 tons, or 63.6 per cent of its capacity and 17.4 per cent of the total production in Canada of newsprint paper. It went up to 528,181 tons in 1929 or 72.4 per cent of capacity and then down sharply each year until the output in 1932 was 207,127 tons or 28.4 per cent of the capacity of the company's mills. This was about 10.9 per cent of the total Canadian production.

Newsprint Prices Dropping

When the receiver acquired control, only three of these nine mills were producing: Iroquois Falls mill at 36 per cent of capacity; Sault Ste. Marie mill at full capacity and the Thunder Bay mill at 40 per cent of capacity. It was stated that the Iroquois Falls mill was being operated because of its low cost of manufacture, the Sault Ste. Marie mill to convert substantial pulpwood inventories there and the Thunder Bay mill because of conditions attaching to its purchase.

At the date of receivership on September 10, 1932, the nominal contract price for newsprint was $53 per ton but secret and open concessions in price by some companies brought down to $46 per ton at inland points and $45 per ton at ocean and lake ports. Since then quotations have been below these figures and this meant a loss of $1,600,000 per annum to the company on contracts to supply more than 200,000 tons. The greatest margin of return under such circumstances could be obtained by running the Iroquois Falls mill at capacity and this would have been done but for the fear of heavy losses from deterioration of pulpwood inventories at other points.

The Smooth Rock Falls mill was operating to about one third of capacity on September 10, 1932, but was kept open because the cost of carrying the property shut down would be greater than the loss when running.

The receiver has taken steps to reduce administration costs and costs of carrying shut down mills.

Much Pulpwood Deteriorating

As wood inventories determine to a considerable extent the operating policy of the company under the receiver, his report as to the 595,000 cords of pulpwood (given a book value of $4,447,000) is of interest. On Sept. 10, 1932, there were: only 52,586 cords at Iroquois Falls; 92,447 cords at Sault Ste. Marie sufficient to provide work for a year; 100,000 cords at Ste. Anne mill; 59,265 cords at Thunder Bay mill; 50,700 cords at Smooth Rock Falls; 135,264 cords at and tributary to Espanola mills; 74,716 cords at the Sturgeon Falls mill. The value given above was written down to $2,583,571, a drop of $1,863,468, largely attributable to the writing off of values in pulpwood at Espanola and Sturgeon Falls. Some recovery may yet be obtained by transferring this wood to Sault Ste. Marie. The pulpwood at the Ste. Anne mill has to be used within from 18 to 24 months to save it; deterioration already exists in the Thunder Bay wood.

Sick From Indigestion

It was a big meal which Abitibi undertook to digest in 1928. In 1927 its paper, pulp and power enterprises were all tributary to the 186,000 tons mill at Iroquois Falls and the Smooth Rock Falls mills with annual capacity of 60,000 tons of high grade sulphite.

Then in a series of quick gulps it took over in 1928 Spanish River Pulp & Paper Mills with three mills, one of which was made efficient at Sault Ste. Marie by the expenditure of half a million dollars; Manitoba Paper Mills; St. Anne Paper Co.; Murray Bay Paper Co.; Fort William Power Co. and its subsidiaries Fort William Paper Co. and the Kaministiquia Power Co.; Newsprint Bond & Share Co. of which Abitibi held 22.29 per cent of subscribed capital and on which it still owes $608,464; this company was formed to buy voting control of Bathurst Power & Paper Co. in New Brunswick with capacity of 43,000 tons a year; and a half interest in Thunder Bay Paper Co. which had a newsprint mill in Port Arthur and later a whole interest acquired in January, 1932, at the expense of commitments. In January, 1930, the common stock of Provincial Paper Co. was acquired; in September, 1930, it started the $23,000,000 power enterprises at Abitibi Canyon and its undertaking to get $5,000,000 to finish this undertaking by October, 1932, was the final blow to its credit for that money could not be obtained.

Provincial Paper, Ltd., which is being operated as an independent unit, is earning money, but insufficient to permit payment of a dividend on the common stock which Abitibi owns.

CONSOLIDATED INCOME & SURPLUS ACCOUNT

	To Sept. 10, 1932 $	Yr. end. Dec. 31, 1931 $
Net earnings	1,005,823	†5,199,946
Add: Profit on bonds purch. for sink. f.	554,344	197,205
Prov. Paper div.	100,000	......
	1,660,167	5,397,151
Less: Deprec. & depl.	576,961	1,293,571
Int. on funded debt and other int.	2,058,172	2,801,608
Net profit	*974,966	1,301,972
Less appropriations:		
Prov. Paper pref. divds.	......	245,000
7% pref. divds.	......	52,500
6% pref. divds.	......	523,227
Surplus for period	‡974,966	481,245
Add: Prev. surplus	57,784,218	61,609,365
Less:		
Surplus Prov. Paper	752,570	......
Trans. to invest. res.	597,181	745,500
Spec. invent. w/d♦	......	3,560,892
Balance forward	55,459,501	57,784,218

*Loss. †After income tax. ‡Deficit.
♦Special write-down of wood to reduce the inventories to the basis of current values as estimated by the management. Price, Waterhouse & Co. express the opinion that a further substantial amount should be written off inventories in 1932.

WORKING CAPITAL▲

	1932 $	1931 $
Current assets	8,159,936	15,900,445
Current liabs.	7,879,305	5,215,995
Working capital	280,631	10,684,450
Ratio	1.11—1	3.05—1

▲Net current assets of Provincial Paper, amounting to $3,098,964 were included in 1931 statement and excluded from Price, Waterhouse & Co.'s report for 1932.

QUEBEC SEES MARKET FOR BLOCK OF POWER WITH NIAGARA HUDSON

(Continued from page 1)

will go a long way toward cleaning up the present surplus.

Group Action Needed

As conditions are at present it would not be possible for any one company with present productive facilities to export energy to the amount of 300,000 h.p. In addition there are certain physical difficulties which would necessitate collective action on the part of certain of the larger producers.

An unconfirmed report is that a group of Quebec power operators will band together to meet potential demands for power from New York State, particularly from Niagara Hudson Power Co.

Three Companies Mentioned

In this connection it is said that Montreal Light Heat and Power Co., Shawinigan Water and Power Co., and Beauharnois Power Co. will form a syndicate. By means of relaying power these three operators are in a position to export up to the maximum provided in the Mercier Bill. The energy, too, could be transmitted over the lines of the Cedars Rapids Company to Messina.

Talk $17 Power

Reports have it that the Niagara Hudson would pay, in Canadian funds, in the neighborhood of $17 a h.p. at the bus-bar. There is no verification to be had of this report, or even that negotiations have advanced to such a point that price of power has been discussed.

Such a rate would come under the terms of the Mercier Bill—i.e. the export price is to be as much as the Quebec price. Deducting the royalty of $2 the operators would secure $15 a h.p., which compares with a similar price on delivery of power to the Ontario Hydro Electric Power Commission.

Would Be Beneficial

If the Mercier Bill passes the legislature and it is possible for a group of Quebec companies to find a market in New York state for upward of 300,000 h.p. of electrical energy, the financial and operating position of the companies concerned would undergo a marked improvement.

Beauharnois Power has between 50,000 and 100,000 h.p. of surplus energy to dispose of when all are installed. Montreal Power has more than enough energy to meet its current demands, while Shawinigan has vast reserves in the Upper St. Maurice area.

The opening up of a market in New York state would relieve the three companies of the problem of carrying excess capacity. The additional revenue, practically all "velvet," would contribute substantially in meeting the operators' interest charges on funded debt in American funds.

Bill's Passing Hopeful

As the situation now stands, it is reasonably certain that the Mercier Bill will be passed. The power companies officially are not interested nor have they been negotiating with American consumers, especially Niagara Hudson Power. Interest in the bill, on the other hand, is pronounced and observers of the Quebec power industry see nothing but good if the operators are given authority to market 300,000 h.p. in the United States.

PIECES MISSING ONTARIO POWER JIG-SAW PUZZLE

(Continued from page 1)

ready far more power than it could possibly have utilized under the conditions obtaining at that time, or find a sale for. It was, no doubt, very much in the interests of the Hydro-Electric Power Commission of Ontario to be relieved of part of its commitment, but how Abitibi was induced to make such an adverse contract needs explanation. There may be a simple and all-sufficing reason but the public should be told.

The underwriters and the trust company may possibly not have even known of the existence of these later contracts, and may not have cared as these later contracts would not have released Hydro-Electric Power Commission of Ontario from one iota of performance of its original contract in case Abitibi Power and Paper Co. had gone broke. Yet it must have made it more difficult for Abitibi Power and Paper Co. to fulfill its part of the contract to get the additional money necessary to complete the project. If development were not finished by Abitibi, the Hydro-Electric Commission could not be held to the letter of its original contract.

Government's Offer Outlined

Hon. Mr. Cooke in the Legislature on March 15, stated that the province has not yet acquired the Abitibi Power Development, that is, the formal taking over of the property has not occurred, as it is still under a receiver and manager.

$5,000,000 to Finish

Outstanding liabilities of the Ontario Power Service Corp. at the time the government made its offer on August 5, 1932, according to another answer by the Hon. Mr. Cooke, were as follows: $20,000,000 in bonds with interest at 5½ per cent from January 1, 1932; estimated claims of contractors and persons having contracts with the company.

These liabilities have not yet been paid by the government and Hon. Mr. Cooke estimated that $5,000,000 would be sufficient to complete the project and to pay liabilities. Of this amount it was expected that approximately $2,600,000 is available in the hands of the Montreal Trust Company, trustee under the bond mortgage securing the bonds of the company.

Hydro-Electric Power Commission offer to bondholders of Ontario Power Service Corp. has been successful as more than 97 per cent of such bonds are now owned by the commission. Bondholders saw this offer as their best way out.

Recently Ontario Power Service Corp. passed into the hands of a receiver and it appears that an Order of Court has been made for the sale of its property and assets.

"This may result," says the receiver and manager, "in a substantial claim against Abitibi Power and Paper Co. in respect of the contract entered into by it to furnish funds for the completion of the Canyon plant and to purchase power. Under these circumstances it is believed that the claim of Abitibi Power and Paper Co. in respect of its ownership of shares in and advances to Ontario Power Service Corp. will prove to be of no value."

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Magic Baking Powder • Gillett's Lye • Royal Yeast Cakes
Chase & Sanborn's Tea and Coffee

OTTAWA DENIES CAHAN SPEECH CURBS TRADE

(Continued from page 1)

country as a result of this or the other slight or attack or what-not, that I am unable to give you this order. Otherwise I would have been delighted to do so."

The importer well knows that the grain exporter will promptly get into communication with Ottawa and express his views of the government's diplomatic abilities in no uncertain terms. Curiously, no other country than China has developed this close co-operation between diplomacy and business.

Nevertheless, the Cahan speech has commonly been deemed to have been undiplomatic and rather provocative. Nationalist feeling is running high in China and Mr. Cahan flew straight in the face of it by implying, in his speech, a doubt about the strength of the Chinese government.

Highlights of Speech

His speech is recorded verbatim in the Journals of the League of December 8. At the outset, Mr. Cahan explained that, owing to difficulties of communication, he was unable to assure the assembly that everything he would say represented the considered opinion of his government. "The opinions I am about to express," he said, "are more or less personal; but, nevertheless, I think they are opinions in which my government will concur."

The passages in his speech which have caused most criticism are as follows:

"The prescribed conditions for admission to membership of the League of Nations are that the applicant shall be a fully governing state and that it shall give effective guarantees of its sincere intention to observe its international obligations. The clear assumption was that each member state should be directed by a strong central government, capable of maintaining peace, order and good government within its own territorial jurisdiction, and also capable of fulfilling its obligations under the Covenant of the League of Nations. It is doubtful to my mind whether the National Government of China has yet been in a position to comply fully with these conditions."

The second passage refers to the Nine-Power Treaty entered into at Washington in 1922 which was to stabilize conditions in the Far East. Mr. Cahan said:

"It seems to me that the institution and maintenance by the Chinese government or with its passive approval of attempts at intimidation against the citizens of any state which is a party to that treaty, or any attempt by unilateral action to abrogate or diminish the treaty rights of any other state in or in respect of China, must be regarded as a grave infringement by China of the existing rights of other states and manifestly provocative of emergency action by such other state for the purpose of protecting such rights. In our law, we affirm as an invariable maxim of good conduct that he who seeks equity must first do equity."

In the second passage Mr. Cahan was referring to the intimidation of Japanese in China and Manchuria.

In other respects Mr. Cahan, in his speech, was at pains to make clear the high regard in which Canada held her western neighbor.

Ottawa Not Allowed

While it is true that these references have caused great indignation in China, the government does not seem to be alarmed by any trade repercussions. It is the experience, that the Chinese usually have some grievance against foreign governments and do not hesitate to air the grievance whenever large orders are lost.

Last year a somewhat similar situation arose with respect to Hon. Herbert Marler, Canadian minister to Tokio and the far east. It has always been a sore point with the Chinese that Mr. Marler should reside in Japan rather than in China. They have never wearied of suggesting a change in Mr. Marler's domicile, nor of pointing out that his presence in Japan might injure rather than help Chinese-Canadian trade relations.

The Marler Dinner

When Mr. Marler was home last year, he gave a dinner to the leading Chinese merchants at Vancouver. The dinner was excellent, but not one of the guests showed up—this being their way of showing their resentment not of Mr. Marler's personal abilities, but of the fact that he lives in Japan rather than in China. At that time there was much talk of a trade boycott until the Canadian government either sent Mr. Marler to China, or named a special diplomatic representative for that country. The preceding year a somewhat similar dispute arose over a passing comment made by a cabinet minister as to the capacity of China to pay for wheat bought from Canada. This, too, was taken as a national affront and there were rumors of boycott reprisals.

Ottawa does not take these reports seriously because they believe the Chinese are shrewd traders who buy in the cheapest and sell in the dearest market. Current reports state that a million dollar flour order has been cancelled. The feeling here is that either the Chinese bought the flour slightly cheaper elsewhere, or decided they could not afford it.

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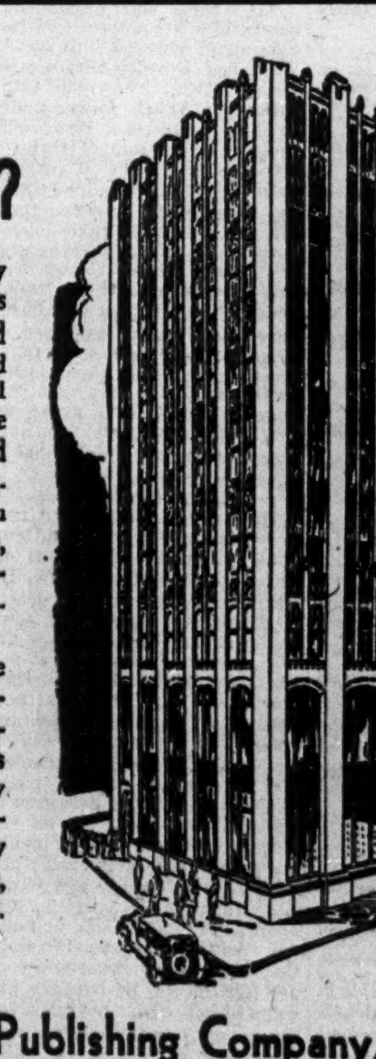

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What Rhodes Budget Means to Business, Agriculture

BONUS PLAN AIDS TRADE OF $24,000,000

Cost of Export Bounty in 1932 Would Have Been $3,600,000

Approximate cost to Canada in 1932 of the "Agricultural Stabilization Fund" announced this week by Finance Minister Rhodes as a highlight of the budget speech, would have been $3,600,000 according to an estimate compiled by The Financial Post. Impetus to export trade by the bounty should increase this substantially in 1933 of course.

The fund is to be created by the Federal Government to bonus exports to Great Britain of some 14 important products of agriculture and fisheries. The commodities are: animals, meats (including bacon and hams) poultry, fresh fish, canned fish, tobacco, cheese, milk products, canned fruits, canned vegetables, maple products, eggs and honey.

Idea behind the plan is to compensate exporters who would otherwise suffer by the depreciation in sterling. Accordingly whenever the price received by the exporter falls below $4.60 the government will make up the difference. Mr. Rhodes' statement in part follows:

"The government has given most careful consideration to the problems with which our agricultural and fishing interests are confronted in selling their products in countries with depreciated and fluctuating currencies. As a result it is proposed to establish a fund to be known as the Agricultural Stabilization Fund.

"From it there will be paid to exporters to the British market the difference between the price actually received and the pound sterling valued at $4.60. In other words, to the extent that the pound sterling falls below $4.60 the difference will be made good from this fund."

Trade Volume $24,000,000

In the calendar year 1932, Canada's actual dollar exports of these commodities to Great Britain were valued at approximately $24,000,000. The previous year the corresponding figure was $25,775,000. In 1932, and in the first 11 weeks of 1933 according to a computation made by The Financial Post, the average "spread" between the quoted price of sterling in Canada and the base price of $4.60 was 61 cents. Thus the "pegged" price of sterling for purposes of the fund was approximately 15 per cent above actual price. This would have meant in 1932 a cost to the government of 15 per cent of the total value of exports, or approximately $3,600,000. The current spread between sterling and $4.60 is 50 cents, or a spread of about 12.2 per cent.

The items affected by the new plan and the volume of trade which Canada carried on in each one with Great Britain in 1931 and 1932 are shown as follows:

	1932 $	1931 $
Animals (living)	1,265,815	2,271,688
Bacons & hams	3,010,208	1,493,363
Other meats	1,419,730	831,969
Poultry	217,915	18,445
Fresh fish	355,124	473,885
Canned fish	3,816,999	5,187,593
Tobacco	3,157,370	1,972,870
Cheese	8,504,722	9,959,181
Other milk products	1,358,170	2,439,319
Canned fruits	556,113	299,752
Canned vegetables	179,592	549,062
Maple sugar	5,333	6,087
Eggs	3,972	96,911
Honey	184,341	175,247
	24,035,899	25,775,822

COSMETICS TAX WILL NET MILLION

Annual Consumption Estimated at About $11,000,000 in 1931

Excise tax of 10 per cent on toilet preparations and toilet soap will net the country $1,154,000 on the basis of consumption in 1931, the last year for which complete statistics are available, according to an estimate made by The Financial Post. While consumption of these products fell slightly in value in 1930 and 1931 from the high mark set in 1929, the volume has been growing steadily over a period of years.

Production of toilet preparations in Canada in 1931 amounted to $6,751,642 to which must be added toilet soap at $4,509,052 and shaving cream at $389,212, making a total production of $11,649,806. Imports added total $1,293,000, chiefly toilet preparations, while exports deducted total $1,401,617, of which half was toilet soap. Consumption, therefore, amounted to $11,541,000 in 1931.

Some reduction can be looked for in the 1933 consumption owing to the higher prices which will prevail but a revenue of about $1,000,000 may be expected.

Toilet soap, tooth paste, shaving cream, powders, scents and gargles are the chief items affected which are commonly used by the public. The increased impost to be paid by the manufacturer or importer will undoubtedly be handed on to the consumer.

Home Brew Costs Raised More Than 100 Per Cent

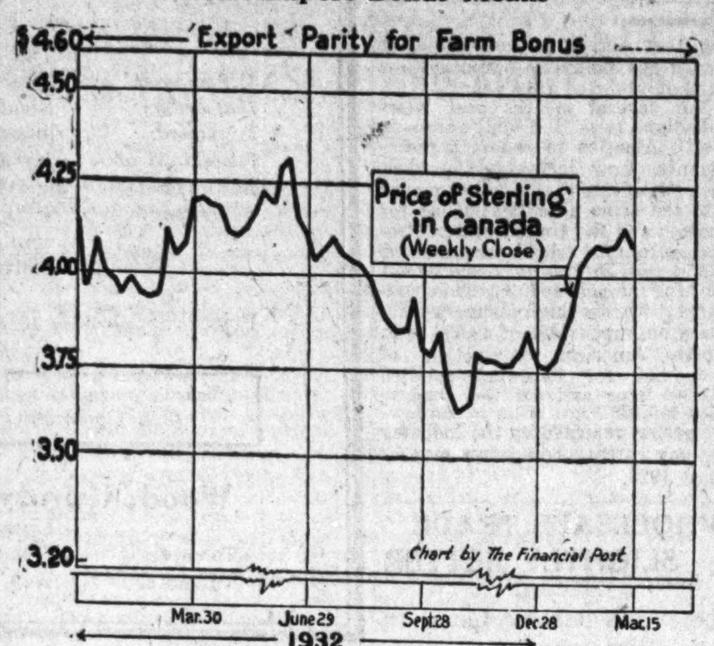
Unless some change is made in the item in the budget which places an excise tax of 50 cents a pound on malt for brewing, home brewers in Canada will be practically eliminated, it is stated. The tax does not apply to commercial brewers' malt as they use malted barley as compared with malt extracts used in home brewing on which the tax is levied.

Instead of paying 18 cents a pound at retail for malt the home brewer will be called upon to pay 68 cents. According to manufacturers and retailers of home brew supplies this will have the direct effect of putting them out of business as they state that the majority of their customers are not in a position to pay more.

This large impost on a product retailing at 18 cents a pound renders any estimate of revenue on previous consumption figures valueless. It is charged that no large revenue is expected from this source and that the increased demand for commercial beer will indirectly provide additional revenue.

Additional cost under the 50 cents a pound tax can be seen in comparison of past and future costs of a 5 gallon brew of beer. Supplies for this brew formerly cost about $1.35, which included 3 pounds of malt; under the increased tax this brew would cost $2.85, or more than twice the original cost. As about 30 quarts can be bottled for a 5 gallon brew, the cost per quart has been raised from 4½ cents to 10 cents.

What Export Bonus Means



The average "spread" between price of sterling in Canada and $4.60 since 1931 is shown above. Whenever sterling is below $4.60 exporters of a selected list of agricultural and fishery products will be paid the difference by the Government. As shown above the average spread since December, 1931, was 61 cents or 15 per cent.

Sugar Tax Earns $18,000,000
5 Industries Directly Hit

Industry will bear about a fifth of the direct burden of the sugar tax of 2 cents a pound, leaving the housewife to absorb the remaining four fifths plus, of course, the increased prices of manufacturing goods caused by the tax, according to an estimate of sugar consumption made by The Financial Post. Five industries are chiefly affected, biscuits and confectionery, canning and preserving, bread and baking, aerated water plants and wineries being the largest users respectively of sugar.

Estimated sugar consumption in 1932 totalled 964,738,000 pounds, composed of 970,000,000 pounds domestic manufacture plus 3,786,600 pounds imported less slightly over 9,000,000 pounds exported. This represents a per capita consumption of 93 pounds. Consumption in 1931 was the highest recorded at 1,003,906,912 pounds while in 1927, when prices were higher it was only 818,200,000 pounds.

On the basis of 1932 consumption the new tax would net the country $19,300,000 but, as the increase in price will probably reduce the annual consumption to some extent, this figure may be somewhat smaller. On the basis of consumption in 1927, when sugar was approximately 2 cents a pound dearer than it has been during the past few months, the revenue from the tax would have been $16,364,000. Probably a figure somewhere between these two totals, say $18,000,000, would be fair.

Industries Affected By Sugar Tax

Industry:	Year	Sugar used lbs.	Value added at 2c @ pound $	Total cost of materials $	% Increase over total cost %
Biscuits & confectionery	1931	81,991,241	1,639,825	20,207,678	8.1
Canning & preserving	1930	48,215,237	964,304	18,668,100	5.2
Bread & baking	1930	27,874,659	557,493	36,582,843	1.5
Aerated waters	1931	20,262,080	405,242	3,300,776	12.3
Wine	1930	14,164,919	283,298	2,616,290	10.8

Tariff Change On Knit Goods Most Important

While 57 changes are made in the customs tariff in the annual budget speech of the Minister of Finance only two items affect any considerable amount of trade, in one case a decrease in all tariffs taking place and in the other an increase of the intermediate and general tariff being imposed.

Specific duties are withdrawn from a group of automobile accessories which enter free under ordinary tariffs when imported by manufacturers for use in fabrication of automobiles. This trade amounted to $2,500,000 in the fiscal year ended March 31, 1932.

Increases in the general and intermediate tariffs on knitted goods, knitted garments and knitted underwear, n.o.p., is probably the most important change as far as Canadian manufacturer is concerned. Although no change has been made in the tariff applying to Britain, which was responsible for a slightly more than half of the import total of $1,220,000 in have already stated that this increase in the other two tariff classes will benefit them.

Of the total changes, 21 merely consist of clarification of wording.

EXECUTIVES BUSY FIGURING EFFECT BUDGET CHANGES

Stock Market and Officials Hesitant While Detailed Information Sought

Executives of various companies are busy with pencils, telephone, telegraph and mail trying to ascertain the exact bearing on their own business of the new taxes put into effect in the latest Dominion Government budget. Most of them were resigned to the fact that taxes had to be higher but needed further consideration to realize the incidence of their particular affairs. The stock market reflected this attitude and was negative in character for the first day.

It was evident that the special excise tax of 5 per cent on automobile tires and tubes would raise prices to the public but further information is being sought as to manner of applying it. In the meantime Goodyear Tire stock showed no influence from this tax.

Sugar Tax Looms Large

Tax of 2 cents per pound on all refined sugar imported into or refined in Canada would yield some $17,000,000 on the basis of consumption in 1932 and this tax will be paid chiefly by the ultimate consumer. Retail stores put the tax in effect March 22. Manufacturers of confectionery, biscuits, soft drinks and many other food products are affected by the tax and wherever possible the tax will be passed on by the manufacturer to the consumer.

In the manufacture of high grade candy and biscuits the increase in cost is relatively small and may not affect the price of boxed chocolates but on cheaper lines of candy, particularly hard candies where sugar content is more important, increases are expected. With the wholesale price of sugar at around $4.65 per 100 lb. bag the tax just imposed will increase the wholesale price by $2 a bag or 43 per cent. Manufacturers of soft drinks will be particularly hard hit.

In addition to increased tax on sugar food manufacturers are hit by the new corporation income tax of 12½ per cent while the sales tax remains.

Imperial Oil, B.A. Oil, McColl-Frontenac and other companies in Canada are affected by the sales tax on fuel oil as the use of the latter was becoming more pronounced in recent years. This increased cost, it was feared, might hurt the sale of oil burning equipment for houses.

Some companies are both hit and helped. Canadian Canners, it would appear, will have costs raised considerably by the 2 cents a pound tax on sugar in canning fruit but it may be helped on the other hand by the bonus promised to make up the difference between the exchange rate of the British pound and $4.60 on exports. Insofar as this bounty adds to the purchasing power of farmers it may be helpful to collections and sales of such companies as Massey-Harris and Cockshutt Plow which, however, may be affected adversely by the revival of sales taxes.

New Sales Tax Impost Will Hit Big Field

One of the most potent sources of new revenue in the Rhodes budget is from sales taxes on items formerly exempt or which formerly paid at only 3 per cent or half the statutory rate.

A rough estimate by The Financial Post of combined production and imports of five of the leading groups which now feel the increase to a uniform 6 per cent, indicates that on these few groups alone a business volume of some $280,000,000 on the basis of 1931 figures, will be affected.

These groups are: rubber and leather footwear, preserved and canned fruits, vegetables, jams and so forth, paper and newsprint and mining machinery. On all but the latter group, the tax is increased from 3 to 6 per cent. Mining machinery formerly free now comes under the 6 per cent tax.

The gain in taxation on these items alone and using the 1931 figures of production and importation, would net the government about $8,500,000 of new money or a total amount of roughly $16,500,000. Feature of the new tax is that it will for the first time cause pyramiding of the tax in that it now applies to many items used in further production and formerly exempt.

Approximate figures for production and imports of these items in 1931 follow:

	Production $	Imports $
(a) Tax Increased from 3 to 6%		
Footwear:		
Leather	37,000,000	2,000,000 (Leather and Rubber)
Rubber	25,000,000	
Paper & newsprint	158,000,000	10,000,000
Fruit & veg., (pres. & canned)	32,000,000	4,000,000
	252,000,000	16,000,000
(b) Formerly Free Now 6%		
Mining machinery	3,500,000	3,000,000

Dumping Duty Down Despite Recent Denial

Reduction of the fixed rate for dumping duty purposes to $4.25 from $4.40, as announced in the budget speech, is welcome news to importers, particularly in view of the fact that the Minister of National Revenue stated in the House two weeks ago, that no change in this duty was contemplated at the present time. With buying rate for sterling currently quoted near to the $4.15 mark this reduction of the value for dumping duty purposes represents a reduction of 60 per cent in the amount of duty payable.

Nothing has been done apparently to change the valuation for ordinary duty purposes of $4.86, at present used on the pound sterling. This, importers of dutiable goods state, is even more important than the reduction of the dumping duty although this latter saving is thoroughly appreciated.

Canadian Motorist Pays $1,000,000 in Tire Tax

Purchase of automobile tires and inner tubes will cost the Canadian motorists about $1,000,000 extra if the newly imposed 5 per cent excise tax is passed on to the consumer by the manufacturer, figures for consumption of these items show. Production in 1931, the last year for which complete statistics are available, amounted to $25,840,061, while imports totalled $345,000. Exports in 1931 were valued at $6,472,000, leaving Canadian consumption at approximately $20,000,000.

No mention is made in the budget speech of any drawback or exemption for rubber tires exported so that the revenue to the government on the basis of 1931 figures would be $1,309,250. Since that year, however, consumption of tires has decreased considerably and a revenue of $1,000,000 is probably the largest figure that can be expected.

WINE MAKERS FEAR KNOCK DOWN BLOW IS GIVEN INDUSTRY

Difficult to Increase Prices to Take Up Higher Sugar Costs

Wine manufacturers, so far as The Financial Post could interview them on March 22, regard the 2 cent per pound tax on sugar and to a lesser degree the excise tax on spirits manufactured from fruit juices to fortify wines as likely to deal a body blow to the industry. It is stated that no profit is being made at present prices with the low public demand obtaining and that it is going to be a difficult thing to get an increased price from the Liquor Control boards.

One manufacturer feared that the principal sufferer would be the grape-grower. Under the influence of the Ontario Liquor Control Board as much as $40 a ton was paid for grapes last season, while $15 was paid for grapes used for other purposes. In the endeavor to cut costs it is asserted that grapes for whatever purpose next year will get only the market price and that in any case wine manufacturers are likely to be in the market for only small quantities. The reason given for this expectation is that public demand, not very large in any case just now, is likely to drop still further if prices increase, and that if prices do not increase, it will not pay wine manufacturers to make any more wine.

Distress Stocks Feared

There are at present some large stocks of wine which makers are willing to unload below present prices in order to get out of the business. This may prevent the price being raised by others.

Table Shows Federal Tax Payers How to Compute Income Tax for 1932

Personal income of all married persons receiving over $2,000 per annum, and single persons earning over $1,000 per annum, is taxable, according to new federal legislation introduced in the House of Commons by Hon. E. N. Rhodes this week. Maximum exemption for dependents is $400 each. Householder's exemption is abolished.

Rate of taxation is increased one per cent on the first $1,000 of net taxable income. It is increased two per cent on taxable income between $2,000 and $225,000. The tax rate is raised one per cent for every $25,000 of taxable income above $225,000, instead of for every $50,000 as on 1931 income. The rate on taxable income above $225,000, therefore, increases faster. The increase in income tax rate on incomes of $500,000, for instance, is six per cent. A surtax of five per cent of the tax is collected on all gross incomes over $5,000 per annum. These provisions apply to income for the 1932 calendar year, and returns must be made by April 30 next.

In the table below, The Financial Post has computed actual income tax payable under each bracket on the basis of the new rates. To calculate the amount of tax payable, it is first necessary to compute net taxable income; i.e., total income, less exemptions, deductions, etc. The tax is then payable, three per cent on the first $1,000 of the taxable income; plus four per cent on all taxable income in excess of $1,000 and not in excess of $2,000; plus five per cent on income over $2,000 but not in excess of $3,000, and so on. If gross income, before exemptions, exceeds $5,000 a surtax of five per cent on the regular tax must be added.

Thus, if a married taxpayer has a gross income of $6,500, he must pay income tax as follows:

He would first deduct exemption of $2,000, leaving $4,500 net taxable income. Then he would pay:

	Taxable Income	Tax Payable
3% on the first	$1,000	$30.00
plus 4% on the next	$1,000	$40.00
" 5% on the next	$1,000	$50.00
" 6% on the next	$1,000	$60.00
" 7% on the next	$ 500	$35.00
Total	$4,500	$215.00
Plus 5% surtax, his gross income being in excess of $5,000		$10.75
Total federal income tax		$225.75

HOW TO COMPUTE AMOUNT OF YOUR FEDERAL INCOME TAX

Net Taxable Income			Take tax on	or	Add	of excess, which on	is		Surtax of 5%	Tax Payable
Up to $1,000 rate is 3%.						Therefore tax on net taxable income of $1,000 is	$30		....	$30.00
$ 1,000	to	$2,000	Take tax on $1,000	or $30	Add 4%	of excess, which on $2,000	is $70		....	$70.00
2,000	“	3,000	“ “ “ 2,000	“ 70	“ 5%	“ “ “ “ 3,000	“ 120		....	120,00
3,000	“	4,000	“ “ “ 3,000	“ 120	“ 6%	“ “ “ “ 4,000	“ 180	+	$ 9.00	189.00
4,000	“	5,000	“ “ “ 4,000	“ 180	“ 7%	“ “ “ “ 5,000	“ 250	+	12.50	262.50
5,000	“	6,000	“ “ “ 5,000	“ 250	“ 8%	“ “ “ “ 6,000	“ 330	+	16.50	346.50
6,000	“	7,000	“ “ “ 6,000	“ 330	“ 9%	“ “ “ “ 7,000	“ 420	+	21.00	441.00
7,000	“	8,000	“ “ “ 7,000	“ 420	“ 10%	“ “ “ “ 8,000	“ 520	+	26.00	546.00
8,000	“	9,000	“ “ “ 8,000	“ 520	“ 11%	“ “ “ “ 9,000	“ 630	+	31.50	661.50
9,000	“	10,000	“ “ “ 9,000	“ 630	“ 12%	“ “ “ “ 10,000	“ 750	+	37.50	787.50
10,000	“	11,000	“ “ “ 10,000	“ 750	“ 13%	“ “ “ “ 11,000	“ 880	+	44.00	924.00
11,000	“	12,000	“ “ “ 11,000	“ 880	“ 14%	“ “ “ “ 12,000	“ 1,020	+	51.00	1,071.00
12,000	“	13,000	“ “ “ 12,000	“ 1,020	“ 15%	“ “ “ “ 13,000	“ 1,170	+	58.50	1,228.50
13,000	“	14,000	“ “ “ 13,000	“ 1,170	“ 16%	“ “ “ “ 14,000	“ 1,330	+	66.50	1,396.50
14,000	“	15,000	“ “ “ 14,000	“ 1,330	“ 17%	“ “ “ “ 15,000	“ 1,500	+	75.00	1,575.00
15,000	“	16,000	“ “ “ 15,000	“ 1,500	“ 18%	“ “ “ “ 16,000	“ 1,680	+	84.00	1,764.00
16,000	“	17,000	“ “ “ 16,000	“ 1,680	“ 19%	“ “ “ “ 17,000	“ 1,870	+	93.50	1,963.50
17,000	“	18,000	“ “ “ 17,000	“ 1,870	“ 20%	“ “ “ “ 18,000	“ 2,070	+	103.50	2,173.50
18,000	“	19,000	“ “ “ 18,000	“ 2,070	“ 21%	“ “ “ “ 19,000	“ 2,280	+	114.00	2,394.00
19,000	“	20,000	“ “ “ 19,000	“ 2,280	“ 22%	“ “ “ “ 20,000	“ 2,500	+	125.00	2,625.00
20,000	“	25,000	“ “ “ 20,000	“ 2,500	“ 23%	“ “ “ “ 25,000	“ 3,650	+	182.50	3,832.50
25,000	“	30,000	“ “ “ 25,000	“ 3,650	“ 24%	“ “ “ “ 30,000	“ 4,850	+	242.50	5,092.50
30,000	“	35,000	“ “ “ 30,000	“ 4,850	“ 25%	“ “ “ “ 35,000	“ 6,100	+	305.00	6,405.00
35,000	“	40,000	“ “ “ 35,000	“ 6,100	“ 26%	“ “ “ “ 40,000	“ 7,400	+	370.00	7,770.00
40,000	“	45,000	“ “ “ 40,000	“ 7,400	“ 27%	“ “ “ “ 45,000	“ 8,750	+	437.50	9,187.50
45,000	“	50,000	“ “ “ 45,000	“ 8,750	“ 28%	“ “ “ “ 50,000	“ 10,150	+	507.50	10,657.50
50,000	“	55,000	“ “ “ 50,000	“ 10,150	“ 29%	“ “ “ “ 55,000	“ 11,600	+	580.00	12,180.00
55,000	“	60,000	“ “ “ 55,000	“ 11,600	“ 30%	“ “ “ “ 60,000	“ 13,100	+	655.00	13,755.00
60,000	“	65,000	“ “ “ 60,000	“ 13,100	“ 31%	“ “ “ “ 65,000	“ 14,650	+	732.50	15,382.50
65,000	“	70,000	“ “ “ 65,000	“ 14,650	“ 32%	“ “ “ “ 70,000	“ 16,250	+	812.50	17,062.50
70,000	“	75,000	“ “ “ 70,000	“ 16,250	“ 33%	“ “ “ “ 75,000	“ 17,900	+	895.00	18,795.00
75,000	“	80,000	“ “ “ 75,000	“ 17,900	“ 34%	“ “ “ “ 80,000	“ 19,600	+	980.00	20,580.00
80,000	“	85,000	“ “ “ 80,000	“ 19,600	“ 35%	“ “ “ “ 85,000	“ 21,350	+	1,067.50	22,417.50
85,000	“	90,000	“ “ “ 85,000	“ 21,350	“ 36%	“ “ “ “ 90,000	“ 23,150	+	1,157.50	24,307.50
90,000	“	95,000	“ “ “ 90,000	“ 23,150	“ 37%	“ “ “ “ 95,000	“ 25,000	+	1,250.00	26,250.00
95,000	“	100,000	“ “ “ 95,000	“ 25,000	“ 38%	“ “ “ “ 100,000	“ 26,900	+	1,345.00	28,245.00
100,000	“	110,000	“ “ “ 100,000	“ 26,900	“ 39%	“ “ “ “ 110,000	“ 30,800	+	1,540.00	32,340.00
110,000	“	120,000	“ “ “ 110,000	“ 30,800	“ 40%	“ “ “ “ 120,000	“ 34,800	+	1,740.00	36,540.00
120,000	“	130,000	“ “ “ 120,000	“ 34,800	“ 41%	“ “ “ “ 130,000	“ 38,900	+	1,945.00	40,845.00
130,000	“	140,000	“ “ “ 130,000	“ 38,900	“ 42%	“ “ “ “ 140,000	“ 43,100	+	2,155.00	45,255.00
140,000	“	150,000	“ “ “ 140,000	“ 43,100	“ 43%	“ “ “ “ 150,000	“ 47,400	+	2,370.00	49,770.00
150,000	“	175,000	“ “ “ 150,000	“ 47,400	“ 44%	“ “ “ “ 175,000	“ 58,400	+	2,920.00	61,320.00
175,000	“	200,000	“ “ “ 175,000	“ 58,400	“ 45%	“ “ “ “ 200,000	“ 69,650	+	3,482.50	73,132.50
200,000	“	225,000	“ “ “ 200,000	“ 69,650	“ 46%	“ “ “ “ 225,000	“ 81,150	+	4,057.50	85,207.50
225,000	“	250,000	“ “ “ 225,000	“ 81,150	“ 47%	“ “ “ “ 250,000	“ 92,900	+	4,645.00	97,545.00
250,000	“	275,000	“ “ “ 250,000	“ 92,900	“ 48%	“ “ “ “ 275,000	“ 104,900	+	5,245.00	110,145.00
275,000	“	300,000	“ “ “ 275,000	“ 104,900	“ 49%	“ “ “ “ 300,000	“ 117,150	+	5,857.50	123,007.50
300,000	“	325,000	“ “ “ 300,000	“ 117,150	“ 50%	“ “ “ “ 325,000	“ 129,650	+	6,482.50	136,132.50
325,000	“	350,000	“ “ “ 325,000	“ 129,650	“ 51%	“ “ “ “ 350,000	“ 142,400	+	7,120.00	149,520.00
350,000	“	375,000	“ “ “ 350,000	“ 142,400	“ 52%	“ “ “ “ 375,000	“ 155,400	+	7,770.00	163,170.00
375,000	“	400,000	“ “ “ 375,000	“ 155,400	“ 53%	“ “ “ “ 400,000	“ 168,650	+	8,432.50	177,082.50
400,000	“	450,000	“ “ “ 400,000	“ 168,650	“ 54%	“ “ “ “ 450,000	“ 196,650	+	9,782.50	205,432.50
450,000	“	500,000	“ “ “ 450,000	“ 195,650	“ 55%	“ “ “ “ 500,000	“ 223,150	+	11,157.50	234,307.50
500,000 and up			“ “ “ 500,000	“ 223,150	“ 56%	“ “ “ “ 600,000	“ 279,150	+	13,957.50	293,107.50

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Capital and Reserve $6,000,000 — Assets under Administration $267,000,000

20 King Street East

Utilities and Transportation

B. C. RY. OPPOSES VANCOUVER PLEA IN BUS FRANCHISE

Claims Company Gives Best Service For Money on Continent

From Our Own Correspondent

VANCOUVER. — The city of Vancouver has revived its petition for authority to establish a bus franchise and has taken its case before the provincial legislature, where the issue is being fought by President W. G. Murrin and other officials of the B. C. Electric Railway.

Mr. Murrin contends that Vancouver is already getting more street transportation service than it is paying for, and he points out that passenger travel has declined about 12,000,000 passengers a year. Actual cost of operating the company's street car lines, buses and interurban lines has been in excess of revenue, without considering capitalization and investment at all, according to Mr. Murrin.

Giving Best Service

"We are giving the best service for the money in North America," Mr. Murrin told the private bills committee of the legislature. "Our company operated on earnings of 28.9 cents per mile as against 42.8 cents in Montreal and 40.11 cents, the average revenue for 116 United States companies."

Representatives of the city said they wanted to ensure adequate transportation throughout the city to meet public demand and that some parts of the city were being neglected. The city, it was stated, would probably not run the proposed bus service itself but would probably give the franchise to some private corporation.

Meanwhile, the possibility of using one-man cars exclusively in Vancouver is being hinted by E. W. Arnott, transportation manager of the B. C. Electric Railway. "It is the only way our company can reduce expenses," Mr. Arnott said. "The company earned only 2½ per cent on a total investment of about $11,750,000 during the eight years prior to June 30, 1930, and the gross earnings are now insufficient to meet expenditures."

B. C. Power Corp. Income on Lower Scale This Year

From Our Own Correspondent

MONTREAL.—Lower earnings are reported by British Columbia Power Corp. for February last. Gross income amounted to $1,065,425, expenses $691,514 and net revenue $373,911. For the same month last year gross totalled $1,203,695 and after providing for expenses, net income was $429,110.

Cumulative returns for the eight months ended February, 1932, reveal a gross income of $8,734,988, a decline from $9,654,258 in the corresponding period of the previous year. Operating expenses were reduced by $468,751 to $4,897,156, leaving net operating income at $3,837,832 as compared with $4,288,351 in 1932.

Southern Canada Power Earnings Off in February

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. reports a decline in gross and net earnings for February last, compared with the same month a year ago. Gross income amounted to $175,208 and operating expenses $60,470, leaving a net income of $114,812. For the same month last year gross totalled $187,758, expenses $67,669 and net income $120,089.

Cumulative returns for the five months ended February, 1933, show a gross revenue of $931,462 and a net income of $620,427. For the corresponding period last year, revenues amounted to $986,290, operating expenses $364,615, leaving a net income of $621,675.

Montreal Coke Output 30 Per Cent Below Capacity

From Our Own Correspondent

MONTREAL.—Production of coke by Montreal Coke and Manufacturing Co., jointly controlled by Montreal Light, Heat and Power Consold. and the de Koppers Co. of Delaware, is currently at a rate of about 70 per cent of capacity.

No figures are released by the company as to its operations or finances. The plant capacity is reported at 450,000 tons of coke, among other products, on an annual basis. On the basis of 70 per cent of capacity, current production is just over 300,000 tons yearly.

Pointe Claire Favors Montreal Power Offer

From Our Own Correspondent

MONTREAL.—Second thought was the best thought with the city council of Pointe Claire which has accepted the offer of Montreal Light, Heat and Power Consold. of $100,000 for the municipal electric system. The council turned down the original offer last week, saying that it would consider no bid under $110,000. The proposed sale will now have to be put before the ratepayers for their approval.

Canadian Fur Goods Value

The value of the output of the fur goods industry of Canada in 1931 was $14,246,993 of which the largest item was women's coats and jackets accounting for $8,219,989. Fur collars, cuffs and stoles were valued at $2,411,226. The balance of $3,615,781 was for miscellaneous fur products.

INDUSTRIAL RESEARCH

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Industrial Chemists and Engineers
MONTREAL WINNIPEG

Bank of Montreal Investment Firm Only Legal Entity

Canada's only bank securities subsidiary is merely a legal entity. It is The Montreal Co. of New York, Inc., a subsidiary of The Bank of Montreal, and it ceased functioning two years ago. As indicated in The Financial Post last week, its activities have never been noticeable, but its existence since 1926 is of general interest in view of developments in security affiliates of United States banks.

The Bank of Montreal's agency in New York does no securities underwriting and has never done any, The Financial Post is informed. The agency handles payments for the bank's clients, dealing in foreign exchange, and can invest reserves of the bank in New York.

It does not do a commercial banking business, as this function is not allowed to foreign banks under New York laws.

UTILITY INVEST. SHAREHOLDERS RECEIVE OFFER

Banking House Gives City Gas Common for Stock

From Our Own Correspondent

MONTREAL.—Shareholders of Consolidated Public Utility Investment Co. have received an offer from Browne, Urquhart & Co. to exchange their shares for those of City Gas and Electric Corp. One share of City Gas common is offered for three class A shares and six class B shares of Consolidated Public Utility respectively. It is understood that a substantial majority of shareholders have availed themselves of the offer.

Consolidated Public Utility Investment Co. represents the reorganization and merger of the former Public Utility Investment Co. and Second Public Utility Investment Co. These two companies were formed in 1927 and 1929 to operate as investment trusts of the management type. Depreciation in security holdings was followed by the sale of both companies to the new organization, Consolidated Public Utility Investment Co.

Consolidated Public Utility Investment Co. is not to be confused with Consolidated Utilities Ltd., which is being acquired by City Gas. The current deal is not a company transaction but an offer from the investment bankers.

No dividends have been paid on shares of Consolidated Public Utility Investment Co. since its formation. There are outstanding 30,000 shares of class A and 36,000 shares of class B stock, together with 20,000 shares of deferred or founders common stock.

City Gas and Electric Corp. is an operating company supplying gas to the city of Three Rivers and through subsidiaries is active in Amos, Huntingdon and Ste. Guillaume and district.

EASTERN TELEPHONE COVERS DIVIDENDS

Loan from Bell Takes Care of Maturing Bonds

From Our Own Correspondent

MONTREAL.—Eastern Townships Telephone Co., controlled by Bell Telephone Co. of Canada, reports earnings in 1932 on a somewhat lower basis than in the preceding year but still sufficient to cover larger dividend payments and leave a small balance to be carried forward into surplus account.

Like other telephone companies, Eastern Townships lost a number of stations last year. At the close of 1932 the company had installed 2,551 stations as against 2,744 at the end of the previous year and the record of 2,793 in 1930. Revenue per station dropped from $36.14 in 1931 to $35.24 in 1932, while expenses were reduced from $32.04 to $32.02 in 1932.

Small Surplus Shown

Particulars of the income account follow:

	1932 $	1931 $
Gross revenue	91,177	100,401
Less: Oper. exp.	49,503	52,510
Mainten.	8,885	12,064
Deprec.	15,875	15,240
Taxes	1,773	1,743
Net earnings	15,143	18,844
Less: Interest	6,806	7,444
Balance	8,337	11,400
Less: Dividends	7,598	6,208
Surplus	739	5,192

Loan From Bell

The balance sheet at the end of 1932 indicated a drop in assets to $396,033 as compared with $404,390 at the close of the previous year. The reduction is mainly in fixed assets which now stand on the books at $356,780. Current assets amount to $30,093 against which the company has current liabilities totalling $108,314.

A new item in the balance sheet this year is "loans of $105,000." These loans take the place of the $115,300 of 6 per cent bonds which matured and were redeemed on July 2 last. Under present financial conditions it was out of the question to do any public financing. The bond redemption was effected through a loan from the Bell Telephone Co.

Manitoba Power Co. Profits Off in January

From Our Own Correspondent

MONTREAL. — Earnings of Manitoba Power Co., subsidiary of Winnipeg Electric, were on a smaller scale during January than for the same month a year ago. Gross revenue amounted to $106,618, or $26,951 less than in January, 1931. Operating expenses were reduced by $9,241 to $22,352, leaving net earnings at $84,266 as compared with $101,976 in January last year. The substantial decline is attributed in part to the closing down of the plant of the Manitoba Paper Co., one of Manitoba Power's more important customers for energy.

Conditions in Asbestos Area Continue Slack

From Our Own Correspondent

MONTREAL. — Reports from the asbestos mining area in the Eastern Townships of Quebec do not indicate any improvement in conditions. Shipments for February recorded a large reduction in tonnage compared with previous years. The number of miners employed at present around Thetford Mines runs from 425 to 450. This compares with 3,100 for the same period in 1928.

CONSOLIDATED UTILITIES GOES TO CITY GAS CORP.

Former Municipal Securities on a Share Exchange Basis

From Our Own Correspondent

MONTREAL. — City Gas and Electric Corp. is acquiring Consolidated Utilities Ltd. on a share exchange basis. Consolidated Utilities represents the reorganization of the former Municipal Securities Corp. which got into financial difficulties during 1930. Since that time several of the original properties have been disposed of and capital structure has been pared down.

Properties acquired by City Gas through the deal comprise a grain and lumber business at Huntingdon and the Amos Water and Power Co., which operates a waterworks system and supplies power in Amos, Que. There are $75,000 of 7 per cent bonds of Amos Water and Power outstanding while the balance sheet of Consolidated Utilities at the end of 1931 showed a mortgage of $10,000 on the Huntingdon property. Both these properties are reported to be operating on a satisfactory basis at the present time.

Basis of Exchange

Basis of acquisition is as follows: For each unit of 1 share of $40 par value preferred and 1 share of common of Consolidated Utilities there is offered 1 common share of City Gas and Electric. No dividends had been paid on shares of the acquired company. Consolidated Utilities had outstanding at the end of 1931, 7,662 shares of preferred and a like number of no par common stock. These shares had been issued to former holders of Municipal Securities bonds in the reorganization of the company.

The current deal represents the second company to be acquired by City Gas and Electric within the past few months. A short time ago Yamaska Power Co. was acquired on a share for share exchange, further expansion is anticipated in the future. Economies in operation are expected as a result of consolidated consolidation of these properties.

City Gas and Electric operates a gas manufacturing and distribution system in Three Rivers utilizing Butane equipment.

OTTAWA PASSES LEVY ON UTILITIES TO MONT. POWER

Willing to Tax Sales if Legislation Can be Effected

From Our Own Correspondent

MONTREAL. — If Montreal Light, Heat and Power Consold. can submit a detailed plan showing exactly how a general sales tax upon the consumption of electricity might be applied under existing legislation, the Dominion Government will be glad to institute it immediately. This was the answer given to representatives of the company who interviewed the Prime Minister with a view to having a more equitable taxation on public utilities.

John S. Norris and G. H. Montgomery, K.C., representing the company, appeared before the Prime Minister and the Minister of Finance with a petition signed by 100,000 Montreal consumers of gas and electricity. The petition did not ask for a remission of taxation but urged that a general sales tax on gas and electricity should be applied equally to private and publicly owned utilities. This tax would replace the present income tax, which the publicly-owned utilities do not pay.

Can't Tax Provinces

It was pointed out to the delegates that the Dominion Government is prevented from taxing provincial property by Section 125 of the British North America Act. The alternative course — remission of income tax from all public utilities —was deemed impracticable at present in view of the pressing need for government revenue.

The suggestion then was made by Hon. R. B. Bennett that if Montreal Power could show the Government how a general sales tax could be applied against consumption of gas and electricity, the Government would be willing to put it into force.

City of Quebec's Plans on Power Are Deferred

From Our Own Correspondent

MONTREAL.—Attempts by the City of Quebec to secure the necessary authorization from the provincial legislature to enable it to municipalize electric services have again been vetoed. Last year the city endeavored to have its charter amended, but the Legislative Committee would not approve the motion. The matter came up this year and again the committee withheld authority. Lengthy arguments were put forward by both the city and the Quebec Power Co. The arguments of the latter found more favor in government circles, and the city's application was refused.

Public Utility Earnings

B. C. Power Corp.

Feb.:	1933 $	1932 $	Decr. $
Gross	1,065,425	1,203,695	138,270
Exp.	691,514	774,585	83,071
Net earn.	373,911	429,110	55,199
8 Mos. End. Feb. 28:			
Gross	8,734,988	9,654,258	919,270
Exp.	4,899,156	5,365,907	468,751
Net earn.	3,837,832	4,288,351	450,519

Manitoba Power Co.

Jan.:	1933 $	1932 $	Decr. $
Gross earn.	106,618	133,569	26,951
Oper. exp.	22,352	31,593	9,241
Net earnings	84,266	101,976	17,710

Southern Canada Power

Feb.:	1933 $	1932 $	Decr. $
Gross	175,282	187,758	12,476
Exp.	60,470	67,669	7,199
Net	114,812	120,089	5,277
Five Months:			
Gross	931,462	986,290	54,828
Exp.	311,035	364,615	53,580
Net	620,427	621,675	1,248

Can. Western Natural Gas

	1932 $	1931 $	Incr. $
January	299,064	296,761	2,313

NEW STATEMENT CAN. LOCOMOTIVE IS MUCH CHANGED

Effect is Given to Reorganization; Had Loss in Last Quarter

Effect is given to the capital reorganization of Canadian Locomotive Co. in the annual statement for the year ended Dec. 31, 1932, as provided by bondholders at a meeting held in December. The debit balance of profit and loss amounting to $328,343 at Sept. 30, 1932, has been written off in the general plan of reorganization but the annual statement shows a net loss of $23,697, in the three months ended Dec. 31, 1932, before providing for depreciation.

Current assets are shown at $396,974 and current liabilities at $20,684 giving a working capital of $376,290 as at Dec. 31, 1932, compared with working capital of $593,286 at the end of the previous year. The company has retired all bank loans and retains $278,165 in securities and $5,021 in cash. Accounts receivable are shown at $32,895 and inventories at $80,893. The company has had no locomotive orders since June, 1930.

Land, buildings and equipment are carried at $1,611,339 as compared with $2,899,590 at the end of 1931 after deduction of depreciation reserves. Goodwill carried at $1,000,000 in the previous years is no longer shown. As a result total assets of the company are down to $2,042,625 from $6,562,937.

Bonds To Be Exchanged

The company now has outstanding $1,044,800 of 6 per cent first mortgage bonds due 1951. There has been issued 19,000 common shares of no par value carried at $465,317 and an additional 20,897 shares of common is held in reserve to be issued to bondholders on completion of plan of capital reorganization. The National Trust Co. has notified bondholders that the plan of re-organization as approved in December is now operative and binding upon holders. Bonds are to be forwarded to the trustee with coupons attached in order to enable exchange for new income bonds and new common shares for each $100 par value of bonds held. Nominees of the bondholders will receive three management shares.

The former preferred shareholders received one new share of common stock for each share of preferred stock held and old common shareholders received one share of new common stock for each five shares of old common stock held.

JANUARY FAILURES NEAR 1932 LEVEL

Assignments under the Bankruptcy and Winding-Up Acts, as reported to the Dominion Bureau of Statistics, showed in January a substantial decline in number and a small decline in value from the figure for January, 1932.

Commercial failures numbered 216 in January as compared with 238 in the same month of 1932 and 196 in December, though in the latter comparison it should be noted that January is usually the highest month of the year.

Liabilities of assignors amounted to $4,049,929, only slightly less than the $4,060,643 of January, 1932, but considerably below the $7,836,377 recorded in December, 1932.

Trading establishments furnished the largest number of failures with 121, manufacturing with 38 and services with 20 being next in line. Quebec recorded 90 failures with liabilities of $1,885,718 followed by Ontario with 79 failures and liabilities of $1,211,411.

Foreign Exchange

RELATIVE stability of foreign exchanges was recorded in the week ended March 21. Canadian dollars displayed strength on March 16 and 17. While below the high point reached on March 16, our dollar was slightly higher in New York at the end of the week than at the end of the previous week.

There is little possibility of the premium on United States funds disappearing, in the opinion of foreign exchange dealers. As indicated in this column last week, the spread between bid and asked quotations in New York has narrowed up. Exchange restrictions on capital movements from New York may be having a bearing on quotations for United States funds at present.

Introduction of beer in the United States is seen by some observers as a potential factor of weakness on Canadian dollars. It is thought possible that this legislation may tend to cause a decline in Canada's tourist trade, which has been a large item on the credit of our foreign exchange account in recent years.

STERLING'S comparative stability in terms of New York funds in recent weeks has apparently been maintained by purchases of gold by the Bank of England. Had it not been for these bullion purchases, it is thought that sterling might have gone much higher in New York at the time of the United States banking crisis.

In view of the artificial controls being exerted on sterling and United States dollars, it is difficult to determine the possible effects on exchange of even such striking developments as the recent United States crisis. Quotations for the week, as compiled by The Financial Post, are shown below:

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Mar. 14	22	19 1-2	12 1-8	11 7-8
Mar. 15	19 5-8	18 1-2	12	11 7-8
Mar. 16	18 7-8	17 5-8	12 1-16	11 3-4
Mar. 17	18 11-16	18	12 5-16	11 15-16
Mar. 18	19 1-8	18 5-8	12 1-4	11 7-8
Mar. 20	19 1-4	19	11 7-8	11 1-2

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Mar. 14	3.44 7-8	0.394 5-8	0.515 3-4
Mar. 15	3.45 3-8	0.395 1-2	0.516 3-4
Mar. 16	3.46 1-8	0.395 5-16	0.516 3-4
Mar. 17	3.46 3-8	0.394 5-16	0.516
Mar. 18	3.45 1-4	0.394 1-2	0.515 3-4
Mar. 20	3.44 3-8	0.394 1-16	0.516

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Mar. 14	4.12 1-4	0.0471 3-4	0.0615 3-4
Mar. 15	4.10 1-2	0.0470	0.0613 3-4
Mar. 16	4.09 1-4	0.0466 1-4	0.0608 3-4
Mar. 17	4.11	0.0467 3-4	0.0612
Mar. 18	4.11	0.0467 3-4	0.0612
Mar. 20	4.09 3-4	0.0469 3-4	0.0615 1-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Mar. 14	0.2856 1-2	0.1674	......
Mar. 15	0.2845	0.1666 1-2	0.2612
Mar. 16	0.2824 1-2	0.1657 1-2	0.2596
Mar. 17	0.2833 1-2	0.1663	0.2610
Mar. 18	0.2833 1-2	0.1663	0.2610
Mar. 20	0.2848 1-2	0.1670	0.2594

Newsprint Production Returns to 1923 Levels

From Our Own Correspondent

MONTREAL.—No improvement continues to be the best thing that can be said of the newsprint industry.

For the first two months of 1932 production in Canada was lower than for any corresponding period since 1925. Production amounted to 125,610 tons in February and 266,149 tons for the first two months. This compares with 329,864 tons for the same period last year.

While the Canadian mills have no reason to boast about their production this year, the American mills have every reason for worrying. Output in February was only 67,085 tons and for January and February 141,529 tons. The monthly records of the American newsprint industry go back to 1918 and during that period no corresponding period has shown an output so low as that reported this year.

For several months past Newfoundland was the only area in North America to report a maintenance or an increase in production, but of late that area has moved into the same classification as for Canada and the United States. Production on the island amounted to 17,474 tons in February and 39,681 tons for the year todate. This compares with the high January-February output in 1930 of 48,659 tons. North American production of newsprint for February totalled 211,301 tons and for the year to date 450,196 tons. This is the lowest output reported by the industry for any corresponding two months since 1923.

DOMINION TAR NOT EXPORTING POLES TO BRITAIN

Shipments of Red Pine to U. K. Reported Recently

From Our Own Correspondent

MONTREAL. — Reports that shipments of red pine and jackpine poles will be sent to the United Kingdom to be tested out as telegraph poles do not emanate from Dominion Tar and Chemical Co. It was thought that this company, which deals largely in poles and ties and is the largest creosoting organization in Canada, was making the reported shipment, but officials deny this.

As a matter of fact English companies in the past have made extensive surveys of Canada with a view to purchasing timber, either processed or unprocessed, to be used as telegraph or telephone poles in England. There is an extensive market for poles of high quality in the United Kingdom which in the main is supplied by Baltic pine.

Baltic Pine Competitor

Competition from the latter in the past has rendered shipments from Canada unfeasible. Not only is a suitable timber available in Baltic pine but the freight haul is shorter and there is an abundance of cheap tramp tonnage to bring in the poles at low rates to the United Kingdom. Undoubtedly poles could be supplied from Canada, if the specifications as to finish, etc., were adhered to, but investigations have tended to prove that in the final accounting there is a balance in favor of the Baltic.

Douglas fir, one of the finest woods obtainable, would certainly fill the bill, but there are obstacles to be overcome in addition to shipping costs. It has been found advisable to process or creosote this wood while it is still green and for this purpose special equipment is necessary which is not installed in English processing plants. If, on the other hand, the timber were creosoted in Canada, the extra weight and added cost for handling would make for difficulties.

Fir Has Been Shipped

Processed Douglas fir, however, has been shipped from British Columbia in the past. Dominion Tar made some shipments of creosoted timbers of large size to be utilized in wharf construction in England and the timber has proved entirely satisfactory. Smaller shipments are also made from time to time but pole business is not available.

MARITIME COAL PLANS CONSIDERED

Zoning and License System Sought in Eastern Canada

From Our Own Correspondent

MONTREAL.—Continued representations by Nova Scotia and New Brunswick governments to secure a zoning and license system in Eastern Canada, whereby some 7,000,000 tons of Maritime coal might be marketed annually, are due for a definite decision in Ottawa shortly, it is reported. The Department of Mines has been analyzing the proposal, and opinion of the Dominion Government, one way or another, is expected to be made public shortly.

The plan, in brief, would establish a zone in Eastern Canada probably from Toronto east. This zone would use Maritime coal for all purposes for which such fuel is equally as satisfactory as any other bituminous and would absorb approximately 7,000,000 tons a year. Importations of competing coal into that area would be permitted only by license.

Enables Price Cut

Price of Maritime coal in such a zone, if the plan were adopted, would be regulated by the Dominion Fuel Board or some other government body. Nova Scotia officials have claimed that if such a market could be secured, there would be a substantial reduction in the cost of production and incidentally to the cost to the consumer.

The major expense in Nova Scotia mining today is the cost of maintenance during non-productive periods. Pumps must be kept in operation continuously and overhead tends to pile up during periods of restricted activity.

Arguments advanced against the plan include one that kindred industries might find themselves in a difficult position. A case is quoted of an industry within the zone being forced to use a fuel at a cost in advance of that which is paid by a similar industry just outside the zone. Nova Scotia interests argue that some measure of protection be given their basic industry. Government authorities declare that steps already taken, such as subventions, would have aided materially in solving the problem had coal consumption not decreased as it has in the past year.

New Company Acquires Montreal Exhibition

From Our Own Correspondent

MONTREAL. — Montreal Baseball Club, having a capitalization of $149,000 of common stock, has been granted a charter and will acquire the business formerly operated by Montreal Exhibition Co. Details of the transaction will be made public shortly.

Structure of Montreal Exhibition Co., which owns the Stadium Building and a franchise in the International Baseball League, comprises $1,185,000 shares of class "A" stock par value $30, and 25,000 shares of no par class "B" common. Earnings have not been satisfactory since the company was formed in 1927 and no dividends have been paid on the shares.

WHOLESALE TRADE SLIGHTLY BETTER

Some Seasonable Lines in Demand—Retail Only Fair

Weekly trade report of the Canadian Credit Men's Trust Association for the week ending March 18, is as follows:

Halifax—Wholesalers in hardware, radios and stationery, report volume of sales somewhat lower than for corresponding week in last year, with collections poor. Retailers are also feeling the general tightness of money with reduced sales and slow collections.

Saint John — Wholesale trade in most lines somewhat better during past week. Retail trade also showing slight signs of improvement. Collections poor.

Montreal. — Wholesale groceries continue fair; dry goods fair only; clothing still quiet; ladies' wear fair; boots and shoes moving slowly; hardware slightly better. Retail trade, both city and country, report a quiet week. Collections just fair, although showing a slight improvement.

Toronto — Very little improvement in conditions as yet, although optimism still prevails in trade circles. Better prices being obtained for farm products. Retail trade continues about the same. Collections fair to slow.

Winnipeg — Wholesale groceries continue in fair demand. Dry goods, clothing and ready-to wear, very little change. Spring fashions are appearing in the stores, which will no doubt considerably assist the ready-to-wear trade. Collections fair.

Regina — Wholesalers report fair volume continues in grocery lines; dry goods slow; hardware slow. Retail trade for the week, both city and country, very quiet. Collections: wholesale—practically all on current accounts. Retail city collections, fair to slow; country practically nil.

Moose Jaw—Wholesale and retail groceries continue fair; wholesale and retail dry goods and boots and shoes fair only; hardware continues quiet. Collections fair.

Saskatoon — Wholesale groceries continue in fair demand. Dry goods and boots and shoes show a very slight improvement; hardware and oils and greases reported fair. Collections fair to slow.

Calgary—Wholesale and retail groceries reported moving out in fair volume. Sufficient volume in other lines very difficult to obtain. Retail business generally continues quite dull. Collections on current accounts being kept up promptly; very little reduction being made on old past dues.

Edmonton — Volume in wholesale groceries, produce and meats, reported slightly better; dry goods, boots and shoes and rubber goods—quiet. Retail trade fair. Collections show very little improvement.

Vancouver—Slight improvement reported in grocery and hardware lines, due principally to the activity in mining in British Columbia. Other than this, conditions are just fair. Collections slow to fair.

Invest in
Dominion of Canada Bonds

We suggest that orders be mailed, telephoned or telegraphed at our expense.

Due November 1st, 1959. These are Conversion Loan Bonds (ex-talons), bearing interest at the rate of 4½% per annum, and are available in denominations of $100, $500 and $1,000. Interest is payable at any branch of any chartered bank in Canada.

Price: 96.50 and interest, yielding 4.73%.

There is no better investment for Canadians than Dominion of Canada bonds.

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Limited
Toronto Montreal Winnipeg
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SURVEY - EXPLORATION - PHOTOGRAPHY - TRANSPORT

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"A1 at Lloyds" means seaworthiness in ships. Its equivalent in Air Transport is possession of a "C of A." (Certificate of Airworthiness).

Both on sea and in the air standards are imposed by government authority to protect the safety of the passenger.

All planes operated by Canadian Airways carry a "Certificate of Airworthiness" issued by the Department of National Defence.

Because there can be no compromise with safety, Canadian Airways planes are inspected daily by air engineers who are licensed by the Government. Thus the strict requirements of a "C. of A." are continuously maintained by the daily inspection by our ever watchful air engineers.

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LIMITED
MONTREAL WINNIPEG VANCOUVER

Toronto Office—1430 Canadian Bank of Commerce Building.
Edmonton Office—Richardson Building.

A SAFE SECURE DEPOSITORY

OVER three-quarters of a century ago, The Bank of Toronto was founded "to provide a safe, secure depository for the funds of this young country in the making."

The Bank of Toronto has expanded since 1855 to its present nation-wide structure, yet it has never swerved from the fundamental policy of stability and protection of clients laid down by its founders. Through good times and bad it has followed the principles of sound, conservative banking. With assets of over $114,000,000, with deposits of over $88,000,000, and with reserves one and a half times greater than capital, the strength and soundness of this Bank have never been so evident as in these trying times.

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Such a record merits your confidence. You are invited to make use of the strength and service of this Bank.

1855 1933

THE BANK OF TORONTO
Established 1855

3310

News of Investment Markets

OTTAWA PLANS RIGID CONTROL OF PROVINCES

Those Who Borrow Federal Money Must Toe Line

WILL FORCE THRIFT

Ottawa Has Advanced Millions to Four Provinces Without Any Control of Spending

From Our Own Correspondent

OTTAWA.—With at least one of the Prairie provinces confronted with a financial crisis and with similar emergencies threatening in two others, the Federal Government—after two years of indecision and drift—has formulated a broad policy to meet the situation.

This is what is understood to be behind the Prime Minister's announcement in the House of Commons last Monday that letters had been despatched to the Prairie premiers dealing with their financial position. As it is commonly understood here, the crisis in Manitoba has arisen out of the fact that the province is either unwilling or feels unable to accept the conditions laid down by Mr Bennett as a requisite of further aid from the national treasury.

Relying on Ottawa

For two years the western provinces have escaped the necessity of balancing their budgets, of bringing their expenditures within reach of their revenues because of the availability of Ottawa as a source whence loans could be obtained. The precise status of the Dominion loans to these provinces is somewhat hard to discover. Recent figures placed on record by the Government are difficult to square with earlier figures The grand total advances undoubtedly run in excess of $40,000,000. They are probably closer to $50,000,000. Some of these advances, however, are regarded by the Dominion as nonrecoverable from the provinces. One such is the large sum expended in rural relief in Saskatchewan.

Hon. W. A. Gordon gave the total of Federal loans to the western provinces last Monday as $34,670,672.18 divided: Manitoba, $7,940,629.45; Saskatchewan $17,851,293.23; Alberta, $5,982,000; British Columbia $2,896,749.50.

For these advances, the Dominion holds provincial treasury bills which, in the case of Saskatchewan, have been renewed with the first year's interest capitalized.

Another Raid Proposed

But these loans have now been expended and the provinces once more are clamoring for Federal aid The proposed raid on the national treasury, if semi-official reports are reliable, would run into very large figures and would quickly swell the total of the loans to a figure which would make repayment impossible.

As the debate in the Commons last Monday clearly proved, the Dominion has not only been stepping in with money wherewith the provinces could meet debt maturities and interest payments, but in the case of Saskatchewan, the Dominion actually has loaned $3,500,000 for purely provincial purposes. In other words, Ottawa has established the precedent of giving the western provinces the money necessary for them to maintain provincial services—money to meet their ordinary running expenses. In a business way, this is precisely the same as a bank loaning money to a person to pay his household expenses.

Want Free Hand

It is understood that the western provinces still need Federal assistance in order to meet maturing debt and interest payments. But the main drive, right now, is for additional loans to cover the cost of provincial services. Apparently the Bennett Government has agreed to do this, in principle, but has stipulated for certain measures of economy and higher taxation and, perhaps, the right of supervision. The strongest possible pleas are being made by the provinces to escape these stipulations, to be allowed, as formerly, a free hand with Ottawa footing the bill.

The next ten days, probably, will decide whether or not the Federal Government will seek to retrace its steps and compel the western provinces to cut their services to the measure of their revenues.

Manitoba's Crisis

From Our Own Correspondent

WINNIPEG.—Manitoba is in the middle of a crisis in provincial finance, and of a political crisis arising therefrom. The financial crisis has been obviously approaching ever since the announcement was made, at the beginning of the current session of the Legislature, that the province would budget for a deficit this year of $2,500,000, with an additional amount of $1,000,000 for unemployment relief to be taken care of.

Actually the province has been going behind at close to that rate during the past two years. Deficits have been taken care of by applying to them the capital payment of almost $5,000,000 which Manitoba received from the Dominion Government when the province took over its natural resources. Now that is used up. The announcement of a deficit of such size was not altogether taken seriously, for it seemed clear that the province would be unable to go that much further into debt.

It would be impracticable to obtain such a sum to cover a deficit on current operations either by short term borrowings from the banks or by the flotation of bonds, under existing financial conditions, and the only other recourse was the Dominion Government. It was believed that the Dominion might come to the assistance of the province to some extent, but hardly enough to enable such a deficit to be undertaken. The possibility began to be discussed of the province having to make some arrangements for reducing the interest on its outstanding securities. Evidently, to avoid such a contingency, Premier Bennett has undertaken to extend some help to the province, but just as evidently it is less than the provincial government had hoped for, for although the estimates for the year have already been introduced into the legislature, and some of them have been voted, the government suggest that the spending programme may later be cut down to correspond with the money actually available. In the meantime, the Provincial Treasurer, the Hon. E. A. McPherson, whose budget has not yet been presented, is rewriting it to cut down the deficit both by increasing taxation and by decreasing expenditure.

Imp. Tobacco 100th Dividend Paid in March

Imperial Tobacco Co. of Canada's annual meeting on March 14 in Montreal was a more cheering affair than most that occur nowadays not only because of the excellent statement presented to shareholders but because the directors could refer back to steady earnings and to the payment of 100 quarterly dividends without interruption or reduction.

Its contribution to tobacco growing in Canada was commented on at the meeting. Information as to the most approved methods of preparing seed beds, transplanting, fertilizing, harvesting and curing had been given to local farmers in Essex and Kent counties in Ontario. and Burley tobacco of a high quality was now a major crop of the district. It was no longer necessary to import as the Canadian leaf grown, and matured in Canada was fully equal to that formerly imported.

In Norfolk county certain light sandy soils had been found well suited to the growth of Virginia Bright tobacco. The result was that abandoned farms had been taken up and other thousands of acres enhanced in value. More than 25,000,000 pounds of this tobacco are now grown in Canada annually, most of it in Norfolk county.

These developments had made it necessary for Imperial Tobacco to have extensive re-handling plants at Leamington, Essex County and at Delhi, Norfolk county, to sort, grade, dry, store and mature the Canadian tobacco crop. These plants have a storage capacity of 30,000,000 pounds and handle annually about 20,000,000 pounds of Burley and Virginia Bright tobaccos. More than 500 operatives are employed at each plant during the season.

A large welfare organization has been developed in each Imperial Tobacco factory.

B. C. Cuts Off Grants Municipalities Protest

From Our Own Correspondent

VANCOUVER.—One of the most contentious issues before the present session of the legislature will be the financial relationship between the municipalities of British Columbia and the provincial Government.

In the past the Government has shared with the municipalities a large part of its returns from pari-mutuel races and liquor profits. This year, however, the Government finds itself unable to continue this assistance and the grants have been cut off—resulting in reduction of municipal revenue totalling $640,000.

Although the Government maintains that such action was inevitable and that the municipalities were given fair warning, the municipalities are not accepting this situation without protest.

Canada Bread Dividend Reduced on Preferred

Dividends on the seven per cent first preference stock of Canada Bread Co. has been reduced with the declaration of a quarterly dividend of $1 per share, payable April 1 to shareholders of record, March 15. This declaration reduces the annual dividend paid on this stock from the regular non-cumulative rate of seven per cent to the rate of four per cent per annum.

CANADIAN GOLD STOCKS BASIS OF NEW FIXED TRUST

Portfolio Includes 12 Popular Mining Stocks; Terminates in 1943

Formation of a fixed trust of the distributive type to provide a diversified investment in stocks of Canadian gold mining companies is announced with the offering of Canadian Gold Trust Shares by Canadian Depositors Ltd. This is the first new fixed trust to be offered in Canada since early in 1931 and is a result of the current public interest in shares of gold mining companies.

The trust will terminate on March 15, 1943, and provision is made that no changes can be made in the portfolio during the term of the trust unless there is merger or consolidation of any of the companies represented. In the event of liquidation of any of the companies whose stocks are represented in the portfolio the proceeds will be placed in the dividend fund for disbursement. Stocks may be sold if they are no longer dealt in on the listed or unlisted sections of any Canadian stock exchange.

Dividends will be paid semi-annually and will come from cash dividends received, proceeds of sale of stock dividends consisting of 10 per cent or less of the number of shares of the same stock held by the trustee; proceeds of sale of rights and interest received on dividend fund. Trustee's fees will be deducted semi-annually from the dividend fund.

Each unit in the trust fund will contain the following shares representing the portfolio of the trust which will be held by Trusts & Guarantee Co. acting as trustee:

Stocks in Each Unit

50 shs. Dome Mines Ltd.
100 shs. Hollinger Consolidated Gold Mines
25 shs. Lake Shore Mines.
25 shs. McIntyre-Porcupine Mines.
150 shs. Teck-Hughes Gold Mines.
150 shs. Wright-Hargreaves Mines.
100 shs. Granada Gold Mines.
200 shs. Howey Gold Mines.
50 shs. Pioneer Gold Mines.
100 shs. San Antonio Gold Mines.
200 shs. Siscoe Gold Mines.
100 shs. Sylvanite Gold Mines.

Each trust share will represent 1-1,250 interest in the above unit. Share certificates are issued in bearer form in denominations of 5, 10, 25, 50, 100, 500, and 1,250 trust shares. Holders of 50 trust shares or multiples thereof may convert into the underlying shares held by the trustee but must pay trustee's fees which may be $5 on up to 500 trust shares and 50 cents for each 50 trust shares surrender over and above 500 shares.

Initial offering price of the shares is $4.50 per share. Price of shares will be based on board lot offering prices of underlying shares in a unit plus brokerage, plus 7 per cent of the sum of market price and brokerage. To this is added the amount accumulated in dividend account and the total is divided by 1,250 to get the price per share. The price per share is figured to the next highest eighth. In addition the trustee is empowered to deduct semi-annually ⅛ of 1 per cent of the market price of the underlying shares from the dividend fund to provide for management and administration.

CONSOLD. TRUST SHAREHOLDERS APPROVE PLAN

Bondholders' Sanction is Necessary to Carry Out Scheme

From Our Own Correspondent

MONTREAL. — Preferred and common shareholders of Consolidated Investment Corp. have agreed upon the plan of reorganization and it remains for the bondholders to give ratification before the scheme can be put into effect.

This company was incorporated a few years back as an investment trust. Following upon the break in the stock markets in 1929 the value of its holdings shrunk. Under the trust deed securing the company's bonds, it was agreed to keep an equity of $125 back of each $100 par value of bonds. The trust deed was not lived up to in 1931, but by the end of the year the company had materially reduced the number of bonds outstanding.

Propose Capital Reduction

Further depreciation of the investment portfolio in 1932 made it necessary for the management to consider some form of reorganization. A short time ago a plan of reorganization was announced. Under this scheme there will be a sharp reduction in outstanding capital.

Opposition has been expressed in several quarters to the reorganization plan and it is possible that some modifications may be agreed upon before the bondholders give their approval.

ZIMMERKNIT GAIN IN 1932 PROFITS; SALES UP 23 P. C.

Improvements in Financial Position Are Reported at Annual Meeting

Concurrent with news from Ottawa of increased protection for the knitting industry comes annual report of Zimmerknit Co., and its wholly owned subsidiaries, Harvey Knitting Co. and Hosiers, Ltd., showing net earnings in 1932 of $52,255 before depreciation as compared with $2,674 in 1931.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1932 $	1931 $
Net earnings*	52,255	2,674
Less: Bond interest	45,000	41,227
Bond discount	1,500	1,500
Surplus for year	5,755	†40,053
Less: Trans. from res. set up Dec. 31, 1930, not required	......	7,272
Prev. deficit	32,781	......
Deficit carried forward	27,026	32,781

*After operating and administrative expense but before depreciation. †Loss.

The management agreement between the company and York Knitting Mills continues whereby all accounts receivable for sales are guaranteed by York Knitting Mills. Collections are reported as satisfactory. A sales increase of 22.9 per cent was achieved with an increase in accounts receivable of 13.4 per cent. Depreciation was not provided as the plants are carried on the book at a very low figure.

Working capital has been well maintained, receivables and inventories having been higher in current assets and accounts payable and secured bank loans among current liabilities. Secured bank loans went up from $87,473 to $149,441.

Working Capital

	1932 $	1931 $
Current assets	808,253	727,764
Current liabs.	282,172	198,994
Working capital	526,081	528,770
Ratio	2.86—1	3.66—1

HIGHER TAXES ON BIG INCOMES IN B. C. BUDGET

Grants to Municipalities Are to Be Eliminated; Salaries Cut More

Further drastic reductions in expenditures and a new drive for income were announced by Hon. J. W. Jones, British Columbia Minister of Finance in announcing the budget for the fiscal year which ends March 31, 1934. Expenditures are estimated at $22,729,593 as compared with $24,693,671 in the year just ending, a reduction of $1,964,078. Revenues are estimated at $20,497,591 so that a deficit of $2,232,002 will be shown at the end of the year if sinking fund charges of $2,421,620 included in expenditures are provided.

Expenditures will be reduced eliminating grants to municipalities by $640,000. These grants have formerly been paid out of the proceeds of liquor profits and pari mutuel taxes. Government employees will take salary cuts ranging from 4 per cent to 20 per cent instead of cuts of 3 per cent to 17 per cent now in effect. Cabinet ministers' salaries will be cut from $6,225, to $6,000; members' indemnities to $1,600 from $1,800. Departmental expenditures have been cut by $8,900,000 since 1930-1931.

Int. on public debt, premium, exchange & chgs. in connection therewith	$ 6,980,374
Deparmental expenditure	12,057,948
A total on "current account" of	19,038,323
Provision is also made for expenditure on "capital account" (charged to income) as follows:	
Sinking funds	2,421,620
Debt redemption	361,700
Int. on P.G.E. Ry. stock & bonds	907,200
Miscellaneous	750
	3,691,271
The total estimated expenditure	22,729,594

Income taxes in the lower brackets remain unchanged but on incomes over $5,000 there will be a new graduated surtax ranging from 1 to 18 per cent. The wage tax imposed last year and the new surtax on higher incomes are stated to be purely temporary measures. Increase in revenue from the surtax is estimated at $350,000. The levy will be 1 per cent on the first $2,500 over $5,000 increasing to a tax of 18 per cent on income over $50,000.

Succession duties are increased 25 per cent by the new budget by imposition of a surtax. The amount of life insurance that is payable to preferred beneficiaries and which is tax free is placed at $25,000 where formerly no tax was levied. Additional revenue from these sources is estimated at $315,000. The tax levied on all lands not included in a school district will be reduced from 5 mills to 2 mills. Revenue estimates are not based on any anticipation of improvement in business conditions but are prepared on the assumption that revenues of business and individuals will be lower in 1933 than in 1932.

Board Will Supervise Finances of Mimico

The town council of Mimico has reversed its previous decision which objected to supervision of the town's finances by a Government-appointed supervisory board and has nominated John Doughty, former mayor, and E. A. Jarrett, as the municipality's representative. Representatives will be chosen by debenture holders and the Ontario Municipal Board will nominate a chairman.

Ban on current loans to the municipality has been rescinded by the bank and Finance Commissioner A. E. K. Bunnell is preparing a detailed statement of the town's finances to be presented to the Ontario Municipal Board.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Amer. Salesbook..	†6%	1930	Apr. 1	103½
Nor. Mex. Pwr. ...	7%	1933	Apr. 1	105
Wabasso Cot.	*6%	1947	June 1	105

*$10,000 for sinking fund purposes.
†Called in part.

BREWING CORP. MAY BORROW IN ENGLAND

Will Reduce Bank Loans; Taxes Have Reduced Working Capital

Directors of Brewing Corporation of Canada Ltd., are authorized to raise money on securities according to a by-law approved by shareholders at the annual meeting held on March 15. E. P. Taylor, president of the company states that English interests are ready to advance the company a sum of money sufficient to cover practically all past due indebtedness on reasonable terms backed by mortgages on the properties of certain subsidiary companies.

In his address before shareholders, in which he explained the reasons for action taken by directors, E. P. Taylor, president, said in part:

"Three years ago this company was formed and during this period your management have had to face constantly declining sales as a result of the purchasing power of the public continuing to become less all the time.

"When I tell you that the volume of business prevailing in our particular industry is more than 40 per cent less than it was four years ago I am sure you will realize the difficulties which have been encountered by your management.

"The working capital of your company has shrunk in the past three years. Operating losses have contributed to but have not been the principal cause of this reduction.

"The principal reason for the diminution of working capital has been the necessity of making large payments to the Federal government in part settlement of tax claims on export shipments in prior years, a great many of which were in dispute at the time of acquisition of the subsidiaries concerned. During the past three years the company through its subsidiaries, has had to pay an amount in excess of $200,000 to the Federal government on account of these arrears. These payments have been made in addition to over $5,000,000 paid to the Federal and Provincial governments for current taxes during the same period.

"Another reason that the working capital of the company is reduced is that at the outset the company issued $600,000 of 5 per cent notes in payment for the controlling interest of an important subsidiary. During the past two years $150,000 of the principal of these notes has been retired.

"The company has also been obliged to reduce its bank loans. At the present time these loans stand at a net amount of $392,000 which compares with $700,000 one year ago.

"The effect of the bank loan reductions, payment of government tax claims and the reductions in the amount outstanding of the 5 per cent notes has been depletion of the company's working capital."

Operations during the present fiscal year to date are said to have been on a much better basis than in the same period last year, notwithstanding a sharp shrinkage in volume of sales.

Saskatchewan Govt. Drops Gasoline Prices Bill

REGINA.—The Saskatchewan Government has dropped the bill which it introduced into the legislature intended to regulate the sale price of gasoline and other oil products in the province. The bill had provided that any company selling such products within the province must quote the same price at all points, having regard only to freight rate differentials.

The bill had been vigorously opposed by both the Imperial Oil Company and the British America Oil Company, on the ground that it would affect their zoning system of prices, and also that it would force them to abandon any local markets where competitors chose to undercut them in price. The bill was presumed to be in the interest both of a small independent refinery in the province, and of co-operative associations distributing oil products, but the latter occasioned some surprise by appearing in opposition to it as tending to interfere with their source of supply with the larger companies.

Bond Tenders

April 3, Township of Langelier, Que.—$3,500, 6 per cent bonds, due serially from Nov. 1, 1933 to Nov. 1, 1947, for consolidation of debts, and improvement of roads. Capital and interest payable at Banque Can. Nationale, at Quebec, Montreal, or La Tuque. J. D. Brassard, sec.-treas.

6 p.m., Mar. 31, Elora, Ont.—$62,000, 6 per cent installment bonds. No terms given. M. L. Andrews, clerk.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Guardian Trust	Dec. 31	6,060	9,103	...	...	...	5,548	3,200	...	...	...
Holt Renfrew	Jan. 31	*209,401	*141,815	...	...	...	391,035	670,436	...	...	...
Interprovincial Brick	Dec. 31	*22,017	*9,748	...	...	...	†114,133	†92,115	...	...	...
Cooksville Co.	Dec. 31	*110,559	*36,479	...	...	...	651,090	761,650	...	...	...
Montreal Cottons	Dec. 31	*52,156	*164,393	...	...	...	230,451	383,724	...	...	...
Waite Ackerman, Mont.	Dec. 31	4,115	10,599	...	...	...	432,141	438,307	.50	...	...
Calgary Power	Dec. 31	632,089	565,682	7.77	6.12	6	1,035,606	993,640	...	...	...
Western Breweries	Oct. 31	*108,199	*29,306	...	...	...	7,578	171,337	¾	...	...
Siscoe Gold Mines	Dec. 31	559,918	312,442	0.122	0.073	12c	376,852	320,906	1.43	...	8.3
Abitibi Power & Paper	‡Sept. 10	*974,966	1,301,972	...	...	...	55,459,501	57,784,218	¼	...	...
Eastern Townships Telephone	Dec. 31	8,337	11,400	...	...	...	739	5,192	...	...	...
Dominion Engineering	Dec. 31	*67,325	......	...	...	...	1,180,344	1,247,670	11¾	...	...
Russell Motor Car	Dec. 31	67,894	103,090	...	2.39	...	430,971	580,077	...	...	...
Morrison Brass	Dec. 31	*76,254	*73,334	...	...	...	202	142,650	...	...	...

*Loss. †Deficit. ‡For 9 months.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Collingwood, Ont.	Mar.	Locally	5½%	10-ins.	$5,000	....	....
Village of Ripley, Ont.	Mar.	Locally	5%	6-ins.	$4,600	100	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues	Date Issued	Offered By	Rate	Amount	Price Offered	Yield
God's Lake Gold Mines	Mar.	Cameron, Pointon & Merritt	....	500,000 treas. shs.	30c	....
Little Long Lac Mines	Mar.	F. J. Crawford & Co.	....	400,000 shs.	25c	....
Canadian Gold Trust Shares	Mar.	Canadian Depositors	....	....	....	....

Always clean, inviting

This modern soda fountain manufactured and installed by General Steel Wares, is a model of beauty and cleanliness. It is just one of many Monel Metal fountains which General Steel Wares has fabricated in recent months.

MONEL METAL is used by General Steel Wares in its Soda Fountain installations

WHERE working surfaces *must* be kept clean, sanitary, attractive under conditions which constantly invite rust and corrosion, Monel Metal has been definitely established as the most satisfactory material obtainable. General Steel Wares have found that for soda fountains, restaurants, meat markets—wherever food is handled—Monel Metal is the ideal material.

Its silvery beauty is permanent—always looks bright and attractive. It is easy to keep clean—requires far less cleaning and polishing. It resists hard wear, defies dinting and scratching—has the strength of steel. Its glass-smooth surface is not easily stained and affords no foothold for tenacious food particles. Because it is solid metal clear through there is no coating to chip, crack or wear off. It is unaffected by food acids, will not rust, resists corrosion. It retains its original beauty through years of hardest use and abuse.

Modernize and beautify your kitchen with **MONEL METAL**

Because this nickel alloy gives such splendid service in soda fountains, it is even more satisfactory for your kitchen. In addition to its cleanliness and durability, it has a rich charm found in no other material. Its silvery surface harmonizes with and softly reflects all kitchen colors. Use it for the sink, for cupboard and table tops—for all surfaces subjected to continuous wear. Ask a competent sheet metal worker for complete particulars.

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A PRODUCT OF CANADIAN MINES

Canadian Nickel Products Limited,
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Please send me your booklet, "Facts about Monel Metal."
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25 KING STREET WEST, TORONTO
A Subsidiary of
THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

INCO NEWS

Interesting new uses of Nickel and Monel Metal in industry and homes.

Architectural

The new Public Utilities Building in Kitchener, Ont., will carry cornices of Monel Metal fabricated by A. B. Ormsby, sheet metal contractor of Toronto.

Dennis Steel Limited of Hamilton, Ont., recently manufactured some Monel Metal handrails for installation in the new building of the North American Life Company in Toronto.

In the Greenroom, a unique installation was made in the New San Francisco Opera House where Monel Metal was used for all the tables and shelves in all the dressing rooms.

Monel Metal Screening brings economy

At a plant of the Brisbane Tramway Power House in Australia, Monel Metal screening was used to replace galvanized iron wire. The latter had ordinarily a life of about three months. The Monel Metal, after three years in service, is reported "As good as the day it was bought".

Monel Metal Wire Cloth for Oil Fillers

The B. Greening Wire Co. of Hamilton, one of Canada's leading wire weavers, has found a large market for Monel Metal wire cloth to be used in oil fillers in the oil fields of Western Canada and other parts of the British Empire.

Nickel Clad Steel in Salt Refinery

The Morton Salt Co. of Kansas, use Nickel Clad Steel Plates for shelves on the iodiser which mixes iodine with the salt after it has been prepared.

Monel Metal for Food Plants

Canadian Packers Ltd., are using Monel Metal Sheet for the manufacture of trays to be used in washing and treating olives before bottling.

The Catelli Macaroni Corp. of Montreal recently placed an order with Booth Coulter Coppersmithing Co. for steam jacketed kettles to be used in their plants. The same company also manufactured a steam jacketed kettle for the W. F. Fraser Canning factory at Murray Harbor, P.E.I.

Monel Metal for Pickling Equipment

Canadian Tube & Steel Products Ltd., Montreal, are using Monel Metal for the pickling of steel. Monel Metal is being used for tie rods on wooden pickling tanks.

Monel Metal Valve Stems and Seats

One of the earliest and most successful applications of Monel Metal was for valve stems and valve seats for valves handling superheated steam. The Dominion Oilcloth & Linoleum Co., Ltd. of Montreal have recently been fitting up a number of valves in their plant with Monel Metal seats.

INCO MONEL METAL QUALIFIED FABRICATOR

Only experienced fabricators of Monel Metal display this sign. It is your guide to quality in workmanship and material.

THE FINANCIAL POST

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TORONTO, MARCH 25, 1933

FARM RELIEF AND RECIPROCITY

IF PRESIDENT ROOSEVELT and Secretary of Agriculture H. A. Wallace are really serious about the farm relief plan introduced into Congress last week, Canadian agriculture will have difficulty in gaining any material benefit from impending negotiations for a reciprocity trade treaty between the two countries.

In a word the new agricultural bill aims to increase the U. S. farmer's purchasing power by restoring the balance between production and consumption as rapidly as possible and its immediate goal, in terms of price, is to bring back pre-war parity between the things the farmer sells and the things he buys. To achieve this end the president is asking for sweeping powers which if granted would enable him to obtain by contract with farmers a voluntary reduction in acreage or production of certain crops and farm commodities. In return for this producers will be compensated by means of rental or benefit payments. The basic products to which the bill may apply are: wheat, cotton, corn, tobacco, rice, hogs, cattle, sheep, and milk and its products.

Unless this is all a colossal bluff to win agricultural support, where would Canada have any chance of increasing her sales of agricultural products to the United States in such a programme?

Obviously there would be little wisdom in the United States taxing consumers to restore farm purchasing power and curtail production, while at the same time inviting increased imports of Canadian cattle, dairy products and similar items by lowering present tariff walls. In others words it is hard to see how such a programme can be successful apart from a high if not an even higher tariff wall than now protects agriculture in that country.

Progress of this legislation will therefore be watched with very considerable interest in Canada. Particularly any part of it which affects the cattle business in that country for there is a growing feeling across the line that a better deal in the U. S. cattle market for Canada is one of the juiciest tariff morsels which could be offered this country in return for a lower tariff against U. S. manufacturers.

Prior to 1913 Canada's annual exports of cattle and calves to all countries amounted to roughly 100,000 head annually. When United States lowered the barrier against us our exports rose rapidly to a peak of 516,000 head in 1920. When the door was shut again the following year they tapered drastically and now average about 47,000 head annually.

FARMERS AND INVESTORS

THE WEEKLY SUN, Toronto, compiles figures to show that the farmer is bearing the brunt of the economic crisis. His income has declined between 1928 and 1932 from 48 per cent in the case of chicken raisers to 60 per cent in the case of grain growers. Bondholders have taken a much smaller cut, according to rough and ready figures compiled by The Sun, which indicate that bond interest paid in Canada in 1932 was 20 per cent higher in 1932 than in 1928 while the purchasing power was of course greatly increased.

It is quite obvious that the result of The Sun's article will be to make the honest farmer's blood boil as he contemplates smug, coupon-clipping bondholders living on the fat of the land while he struggles to hold his little farm home together.

That the farmer has been cruelly hit by the depression is beyond question. That the bondholder whose securities survive the deflation and are not written down in the shuffle of defaults and forced reorganization, will benefit from the increased purchasing power of his income is also true although the benefit is more apparent than real because defaults and increased taxes rob him of much of the profit that the creditor class should gain from price decline.

Let us keep our perspective right about these matters. In the same issue of The Weekly Sun appears a chart of the long term price of wheat which shows that it sold at nearly $3 a bushel in 1920 after rising steadily for 20 years. And, of course, other farm products and most commodities rose similarly in that period. This was the period when many people of "fixed incomes," the creditor class, those who owned bonds, suffered privation of soul and body.

No, one class does not live by picking the bones of another. There are times when one is the gainer from economic swings and the other is the loser and then within a generation their positions will be reversed.

There is no reason to assume, fatalistically, that such will always be the case. The cause of these swings in fortune is primarily the rise and fall of the price level, which is influenced by supply and demand and by the value of money. When we solve the problem of stabilizing the level of prices and doing it without encouraging overproduction we shall be much nearer to the ending of such periods of distortion in the relative economic status of different classes in the community.

C. N. R. ECONOMIES

THE two addresses which Hon. Dr. R. J. Manion, Minister of Railways and Canals, made to the House of Commons on the introduction of the railway legislation covering the recommendations of the Duff Commission were on a high plane. They were filled with facts regarding the extravagances of the Canadian National Railways under the Thornton régime and the economies forced on the railway by the present government and the new directorate. Little of the material was new as Dr. Manion has kept the public rather well informed of what has been done but it was worth while putting the whole story on record again.

When the new trustees are selected for the railway to replace the present board of directors, consideration might well be given to some of the members of the present board who have shown excellent judgment and considerable courage in carrying through with economies.

When the new trustees take over, the influence of the Minister of Railways will be small in connection with the operation of the road. But Dr. Manion will be able to feel that when he had some authority he used it vigorously and well.

CLEARING THE AIR

ON APRIL 1, the Canadian Radio Commission proposes to enforce the rule that not more than five per cent of the time on any radio programme may be devoted to advertising talk. This principle is good. There is too much advertising and too many spot announcements in Canadian radio in proportion to the entertainment content of programmes. Some of the best programmes do not now violate the five per cent content. There is no reason why less perspicatious radio advertisers should not be forced to observe this rule, if they will not do so voluntarily for their own good and for the good of radio.

The result of this enforcement policy, if it is carried through, should be to cause some radio advertisers to revise their policy; probably to the benefit of their programmes. Some programmes, and all spot announcements, will probably leave the air. Some good United States programmes apparently will not be allowed to come into Canada over Canadian stations. The ruling may be a blow to Canadian radio stations, but perhaps not such a severe blow as they imagine, if radio advertisers will change their excessive advertising policy. This will probably be done, in some cases, when the change is forced upon those who are abusing their access to the public's ear.

It might be wise, however, for the Radio Commission to relent somewhat, particularly in regard to 15 minute programmes. The five per cent content means that a 15 minute broadcast will only be allowed 45 seconds advertising talk. The proportion might be raised, say, to one minute in fifteen, two minutes in half an hour, and three minutes in an hour. Some such modification of the proposed policy might result in retaining some good features which would otherwise be lost.

But the Radio Commission should stick to its main principle. Excessive radio advertising and spot announcements should be eliminated.

IN PRAISE OF OUR FOOLISHNESS

THE OTTAWA JOURNAL wonders if the Canadian National Railways are not better off now, from a financial point of view, than if there had been no Sir Henry Thornton. It says:

"Sir Henry Thornton, extravagance and all, certainly put the Canadian National Railways on the map."

In short, why worry about the cost? What difference does it make that the railway is putting us back $100,000,000 a year so long as we can boast of a nickel-plated railway? What are profits compared to pride?

Says the Journal:

"Thornton spent money like water, but at least he achieved something like a miracle with the C. N. R. He made it rank as high as the C. P. R. in the estimation of the people of Canada."

To pay interest on the people's investment in it the Canadian National Railways will have to earn $90,000,000 a year over and above operating expenses. It never has done that. It cannot do it. Sir Henry Thornton's miracle was not that kind of a miracle.

But, of course, no railways are prosperous today. The Journal remarks:

"Well, the critics say the C. N. R. is losing huge money. So it is. So is the C. P. R."

It was the extravagant manner of operating the National Railways that led the C. P. R. into an expensive attempt to hold its place. Are we to measure C. N. R. success by the extent to which it has helped to bring the C. P. R. nearer to ruin? The Journal would have us believe that.

It is not the world depression that created Canada's railway problem but reckless worship of the fetish of public ownership on whose altar we have offered the financial security of Canada. The evidence is in the Duff report.

Let us not boast, as the Journal is willing to boast, of our gross stupidity in railway development. Let us, in all humility, admit that we were unwise and determine that never again shall the politicians and the Socialists rob the taxpayers to give them railway luxuries they can not afford.

BACK TO THE LAND

ALMOST unnoticed, an efficient and successful back-to-the-land movement has been going on in Canada.

In the fall of 1930, the Department of Immigration at Ottawa joined with the Canadian National Railways to move unemployed people with their families from urban centres to the farms. During the period October 1, 1930, to January 31 of this year, 76,918 persons have been taken from the cities and towns and absorbed into agricultural life under this co-operative movement. This represents 10,733 families settled on farms and 23,253 previously unemployed single men placed in farm work.

In each case, the families selected had had previous farm experience and sufficient personal capital to enable a start on the land to be made. There has been no financial assistance from the government or any other agency. The contribution of the government has been confined to practical field service in co-operation with the railways.

This effort has contributed notably to the relief of the unemployment problem and has converted many hundreds of cases of actual or potential distress into examples of happy family life.

Hon. Wesley A. Gordon, Minister of Immigration is not prone to blow his own trumpet and it is well that the public should know of this capable effort of his department and the two railway systems.

REPUDIATION VS. DEFAULT

THE Cobourg World quotes The Financial Post to the effect that $420,471,115 of Canadian corporation bonds have been defaulted in three years. It comments:

"Canadian business which throws up its hands in holy horror at the suggestion of the City of Calgary that it should not pay a premium to American bankers on its maturing bonds is strangely and guiltily silent when its own bonds turn out to be so much worthless paper.

Any corporation that takes advantage of the lack of organization of bondholders and of present conditions to rewrite the terms of its bonds without absolute necessity, is dishonest. Such action is repudiation. Calgary has repudiated a portion of its debt obligation.

But a corporation that cannot meet its debts and defaults is making an honest admission of its inability to pay. Its creditors can step in and share in the management. If Calgary had done the same thing and offered to co-operate with its bondholders in reforming the city's financial affairs it would have been a more honest act than straight repudiation of a contract.

There can be honest default but there can not be honest repudiation.

INFLATIONERY BUTTERFLIES

A STRIKING feature of the suggestions of many inflationists is that after expounding the virtues of their schemes, they explain that there are many good financial brains in this country who could operate the proposed inflation plans. They do not offer to operate their own plans themselves.

As a matter of fact the financial brains of this country are strongly against inflation and other forms of currency manipulation. The proposition of the inflationists, then, is to flout the expert knowledge of the financial brains. Once this has been done and currency manipulation decided upon, the inflationists would then call in the financial brains to operate the system. Against expert advice, they would open the inflationary Pandora's box, and would then hand over the job of chasing the butterflies to those who knew better in the first place.

NEW ZEALAND FACES FINANCIAL CRISIS

IN THE opinion of the New Zealand Financial Times that country is on the verge of the greatest financial crisis in its history. It thinks that the crisis can be avoided only if there is a national government pledged to a balanced budget, honest money, reasonable taxation, fair trading conditions and the utmost efficiency and economy of administration.

After summarizing the experience of countries that have failed to balance their budgets and have as a result experienced severe financial crisis, the New Zealand Financial Times warns the people of its country that budget deficits mean default on New Zealand government loans and it adds:

"National bankruptcy never enriched a nation but only impoverishes its people for a generation. Our national honor is at stake."

This might have been written in Canada and about Canada. Canada's national honor is at stake and unless we balance our federal budget and our provincial budgets and stop the issuance of bonds and currency to meet government deficits we can hardly hope to avoid a financial crisis in this country.

POST-scripts

SOME one was a loser in a piece of high finance which was engineered in Toronto on St. Patrick's Day. A young Scottish-Canadian was walking briskly along the street when he was accosted by a tagger. Not thinking of purchasing, our hero kept on his way. But the ambitious tag seller had pushed her box of tags slightly in front of him. He felt his arm strike against the box. As he hurried along the street he glanced at his arm, and saw a tag stuck on his coat sleeve. He had apparently picked it up inadvertently when he bumped the box. Thriftily, he detatched the tag from his sleeve and stuck it on his lapel.

When he told a Scottish friend about it, the friend merely asked him why he had not obtained two!

WHAT is probably the world's furthest north golf links is located at Chesterfield Inlet on the northern shore of Hudson's Bay, says the current issue of National Revenue Review. Also it might be called the most exclusive of all golf clubs as it has a membership of only four, consisting of the Church of England missionary, the Roman Catholic missionary, the Hudson's Bay Company's Factor and his assistant. The membership fee, which entitles the payee to life membership, is ten polar bear teeth. The course is still in process of building, so far three holes being completed. They are 400 yards, 250 yards and 350 yards respectively in length, and are played three times in succession. Par for nine holes is 26.

While the tundra moss was suitable for the fashioning of an excellent fairway, the construction of greens presented some difficulty as grass will not grow so far north. This problem was solved, however, by building greens from hard packed beach sand of which there is an expanse of ten miles near the course. Four Eskimo boys, one for each member, form the regular roster of caddies.

As Others See Us

Watch Your Scrip

Fort Erie Times-Review. — The Financial Post quotes the Bank Act to the effect that paper designed to circulate as a substitute for money is contrary to law. This suggests that anyone proposing to issue scrip in order to stimulate trade locally needs to step warily. A strict interpretation of the Act would seem to preclude the negotiation of an "I.O.U." in a poker game. Also a negotiable promissory note might be taboo.

It is a nice question as to when an "order for blank dollars' worth of goods" becomes a substitute for money.

Not Scrip But Economy

Calgary Herald—Scrip money is illegal in Canada, so the Financial Post of Toronto states definitely.

Several scrip schemes have been proposed in Calgary. Theoretically they may have an attractive flavor, but in law and in practice they cannot function. In the first place there must be general public confidence behind any such plan, providing it is permitted on reference to the courts, and it is doubtful whether such confidence can be created. Canada's monetary system is sound and it meets the needs competently. Money, and money only, will satisfy out-of-town obligations. Scrip, even if legal, can be used only in a circumscribed area and its adoption would soon lead to serious embarrassment.

What is most needed in civic, provincial and federal governmental administration is not a substitute for money but strict economy.

The Champion Director

Peterborough Examiner. — The attack made by Harry Nixon, the Progressive leader, upon Premier Henry because of the latter's position as a director of the Toronto Mortgage Company, has had the effect of turning public attention upon other politicians with similar connections and as a result it has been discovered that Ontario's premier is a mere "piker" when it comes to being tied up with private business.

The champion in that respect for all Canada is Premier Taschereau of Quebec who, according to The Financial Post which has been looking into the matter, is a director of the following companies: Barclay's Bank, a British-owned Canadian bank; the Royal Trust Company of the Bank of Montreal group; the Caisse d'Economie de Notre Dame, a savings bank in Quebec City; the Sun Life Assurance Company; the Metropolitan Life Insurance Company with headquarters in New York City; the North American Life Insurance Company; the Liverpool and London and Globe Insurance Company, a British concern; the Liverpool-Manitoba Assurance Company; the Lucerne-in-Quebec Community Association, controlled by the Canadian Pacific Railway; the Title Guarantee and Trust Company, and the Credit Foncier Franco-Canadien, which is controlled in France.

Premier Taschereau is in a class by himself in this regard and shows no sign of relinquishing any of his private business connections; neither may it be mentioned do the people of Quebec give any evidence of believing that his many directorships unfit him for the high public position he occupies.

In the Mail

Circuitous Mileage

Editor, The Financial Post:

In a very interesting article in February 25th issue, entitled "Railway Unification is Urged on United States," you refer to the similarity of the railway problem in Canada.

The recommendation is made that "circuitous haulage should be eliminated." According to my information we have a somewhat similar condition here. A car of salt, for instance, takes a terminal rate to Prince Rupert, and passes through Prince George approximately 500 miles from the coast. If shipped to Prince George it costs considerably more than it does after giving it the thousand miles extra haulage. Why could this car not be dropped off at Prince George at the same cost, saving the thousand miles transportation costs to the railway and incidentally to the taxpayer. The railway would be collecting the same freight and operating costs lessened.

E. C. McGEACHY.

Vanderhoof, B.C.
March 10, 1933.

Suggests Lottery Bonds

The Editor, The Financial Post,

In these troublesome times when the world's best brains are searching for a way out, it behooves us to give earnest consideration to all feasible ideas.

For many years the City of Paris, France, has issued obligations to the investing public, which provide for a lottery drawing at certain times. I believe some such plan is overdue in our Dominion, having witnessed in the last few years the tremendous interest displayed by a vast number of our citizens in the stock markets, racing, and sweepstakes, which in the final analysis doubtless can be classified as "gambling."

Canada has a funded debt of about $2,370,000,000, a considerable portion of which has to be arranged for this year. I would like to see the government issue $2,500,000,000 2½ per cent, 50-year consolidated funds. A saving of about $60,000,000 would be effected annually in interest.

For this issue to be attractive several things would be necessary; reduction in bank interest to say, 1½ per cent; increased excess profit tax; government to balance the budget; no new issues to be undertaken other than short-term "treasury notes."

These provisions having been met, I suggest the new issue carry a lottery feature whereby $25,000,000 of bonds would be drawn for redemption semi-annually, at which time valuable lottery prizes would also be drawn.

ALEXANDER WATT.

Kitchener, Ont.
March 13, 1933.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

SALTER ON WAR DEBTS

SIR ARTHUR SALTER can always be relied upon to map out his attack upon any subject. He has become a world figure by his vigorous comments on economic affairs. Recently in London he discussed Britain's war debt—to the United States before a small group. A transcript of his remarks is now available. They show a refreshing freedom from propagandist bias; and an intimate understanding of the American as well as the British viewpoint.

British war debts policy has been righteous but also self-righteous, declares Sir Arthur. The Balfour note was generous but when the offer was made and not generally accepted Britain made a mistake in saying it would not collect more from Germany and the allies than she had to pay America. This was infuriating to American psychology; it left Britain without bargaining power.

* * *

SIR ARTHUR criticizes next the Baldwin settlement, which was on too high a scale and was made because of an undue preoccupation with the desirability of re-establishing the prestige of the pound.

The Young committee, set up to avoid the crash of the Dawes plan, was also a mistake, Salter contends. A crash in Germany, leading to an immediate settlement of German affairs would have been better.

Then when Snowden went to the Hague and asserted Britain's "rights" he unhappily asserted the wrong rights and did it in ill-tempered fashion.

But having criticized all these steps in war debt negotiations, Sir Arthur declares the Lausanne settlement of reparations to be a great success, regardless of what happens to war debts.

* * *

COMING to the present situation, Salter takes up one by one the reasons advanced for a drastic reduction in the debts. Britain, he points out, no longer stresses the argument that the allied nations, including the United States, were partners in a joint effort, because it is necessary to admit that the different nations were not partners with an equal interest.

Second argument relates to the terrific fall in the price level which has doubled the real burden of the principal amount of the debts apart from interest. In equity, Sir Arthur finds this a strong argument for reduction.

A third reason for reduction of payments is the decline in trade, due to the depression. Sir Arthur does not agree with the very popular view that the war debts and reparations are the only first class cause of world depression and the only impediment to world recovery. There are other causes, one of the main being the U. S. tariff increase of 1930.

Developing out of this reason is a third, that war debts should be reduced because they can only be paid by an increase in American imports or a decrease in exports.

These reasons are common to all war debtors and of them Sir Arthur places greatest emphasis upon the debts as an impediment to recovery. Two further considerations touch Britain's interest in war debts. One is the fact that the British settlement represents a reduction of only 18 per cent while the French settlement represents a reduction of 50 per cent and the Italian 80 per cent. Thus the British must pay in goods and service 50 per cent more than they ever got in value. Another consideration is the fact that the depreciation of the pound has made Britain's burden heavier, but France's debt to Britain lighter.

* * *

SIR ARTHUR takes a realistic view of American psychology. He explains why the middle West and the congress minds are inflexible on war debts. He chides the debtors for arguing that all the money was spent on munitions to be destroyed; and for arguing that the debts are all strictly war debts, when the well-informed American knows better.

Criticizing recent war debts notes from London to Washington, Sir Arthur thinks they would leave the unfortunate impression that Britain is too confident and too noble to pay. Moreover Britain should have asked earlier for the extension, and when, because of the American election, she did not do so she should not have plumped her note on Hoover's desk without warning or discussion. The notes were written to appeal to a Whitehall audience and were not attuned to the psychology of the recipients. Each of the three British notes is criticized, on its good points and its bad points, by Sir Arthur and he finally proposes that Britain should work to the objective of having Congress agree to such a drastically reduced settlement that the British could accept it without difficulty. He suggests that there should be one lump sum payment as final liquidation, the money to be raised partially by foreign, partially by domestic loans.

Significantly, Sir Arthur recalls that the Lausanne settlement wrote down reparations by nine-tenths of the obligation under the Young plant. "That is," he says, "the order of magnitude one has to keep in mind."

Winnipeg Carries On

Northwestern Mills, Minneapolis

Members of the Canadian grain trade and especially members of the Winnipeg Grain Exchange have reason for self congratulation in the orderly way in which buying and selling, particularly of futures, have been carried on in that great market through the trying days since banking troubles on this side of the international boundary threw a totally unexpected burden upon its facilities. Called upon to take care of its own normal business in a period of uncertain international exchange and with an additional heavy load of hedging orders from the United States and no reliable measure of relative dollar values, the exchange machinery has operated with normal good order and without anything like the anticipated irregularities in price registration.

For many years the grain trade of Canada has stood up under blows which would have weakened a less virile and courageous organization. Criticized and beset by the several provincial pools, later by the central pool with its vast equipment and organization, still later having to bear the brunt of the collapse of the pool and prices and of the disorganization growing out of the partial socialization of trade and price control in this country, the Winnipeg exchange not only has carried on but has been a very exemplar of sanity and sound good order under the severest strain.

Not for a single market day through all of this period of grain marketing unrest has the grower of grain in western Canada been without a cash market for his produce, an open and public quotation of the world price and assurance of the most economical handling of his crop from field to mill. Meanwhile every marketing experiment set up in opposition to the grain trade has failed with tragic loss to its participants and ruinous effects upon commodity prices. Those who, in face of this record, still believe in further experimentation well may take account of the splendid functioning of the Winnipeg market while we, in a mighty struggle to protect our banking facilities, accepted the closing of our commodity exchanges as scarcely more than an incident. To the Canadian grain trade and its strong, sound western market we extend our compliments and congratulations.

Other Peoples' Views

"Hard Work and Thrift"

The Chronicle, New York: Neither economists nor financiers are idle, and they have advanced many theories as remedies for a perplexing situation, but the old-fashioned cure of hard work and thrift thus far appears to be quite generally overlooked, one stumbling block for the worker being that he is quite unwilling to accept for his services a price which an employer feels that he can afford to pay.

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TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY VANCOUVER

The Week in Business

Conditions Already Improved in United States

WHILE it cannot be said that the good ship "United States" is safely in port following its battle with the banking storm, there is no doubt that the direct and unequivocal methods used by Pilot Roosevelt in his handling of the situation have been largely responsible for keeping this huge financial craft afloat and lend strength to the belief that the heaviest weather is behind it.

Some immediate results of the confidence instilled into the nation by the prompt handling of the crisis are seen in the current report of the Federal Reserve System. This report, issued on March 17, shows a reduction of $269,000,000 in money in circulation and a gain of $327,238,000 in gold holdings.

Much remains to be done, however, and business will be badly cramped for some time yet owing to the large number of banks which will be unable to reopen until they have been reorganized. The magnitude of the task before the financial directors of the country cannot be underestimated, but their handling of the crisis to date has given rise to general belief that the path taken, though a long and arduous one, will lead the country back to some degree of financial stability.

Commodity markets continue to be affected by talk of inflation, although Benjamin Baker, writing in the New York Annalist, states that such an expectation seems unjustified by any action taken at Washington. He points out that the provision in the emergency bank bill which might be misinterpreted as having an inflationary tendency—that of allowing the issue of bank notes against certain specified forms of paper submitted by the Reserve banks—is actually in accordance with constitutional and accepted standards.

* * *

Improvement in Prices is Cheering News

CONTINUANCE of improved wheat prices is cheering news to Canadian agriculturists and industrialists alike and the general tendency of other commodities to consolidate the gains of the past two weeks adds further to the general optimism. February figures released during the past week, however, show that business has reached a very low ebb with little encouraging to be seen in the immediate future.

Despite light grain loadings during the week ended March 11, carloadings for the week showed some slight improvement over the previous week although still far behind the point reached at this time last year. Merchandise loadings were higher by 328 cars, slightly less than the seasonal increase, while coal loadings were up 525 cars against the seasonal trend. The increase in loadings took place in the eastern division, the western sector being slightly below the previous week.

* * *

High Wheat Exports Only Bright Spot

WHILE it was expected that loadings would show some falling off in the week ended March 11 owing to the banking situation in the United States this did not prove to be the case as Canadian importers took advantage of the chance of settling for the custom duties on United States goods at par and greatly increased their commitments from that country during the week.

Wheat exports provide the most cheering statistics of the present depression, the consistent weekly improvement in exports over the previous year being maintained. Exports this year to date are more than 60 per cent above the figure for a year ago, this improvement in volume more than making up for the decrease in price so that the dollar value is also better. This situation also exists as far as returns to farmers are concerned though in this case the dollar returns are just equal to those of the 1931-32 crop years. Visible supplies of wheat in Canada remain at the high figure of 223,000,000 bushels, however.

Business Conditions in Canada

CHEV. AND DODGE LEAD AUTO SALES IN EAST CANADA

Chrysler Lines Make Good Showing in 1933 Sales Record

February automobile sales in Eastern Canada were only 3 less than in the same month of 1932, the best comparative showing made by the industry for some considerable time. Eight individual makes showed higher sales in comparison with February, 1932, as follows: Chevrolet, Dodge, Pontiac, Plymouth, Chrysler, Frontenac, Essex and Rockne, according to an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade.

Total sales for the month numbered 1,644 compared with 1,647 in 1932, with Ontario accounting for 1,332 and 1,524 respectively. Quebec shows a large increase in February sales, the total being 248 compared with 15 in 1932, but the other provinces are all less.

Dodge's outstanding selling record of January was eclipsed in February with 194 new cars of this make being registered, the second highest total for the month. Chevrolet again occupies first place with 582, an improvement of nine over February, 1932, while the sale of 164 Pontiacs places that car in third position.

Ford Sales Down

Sales of Fords numbered only 142 compared with 297 in February, 1932, Oldsmobile, Studebaker and Willys being other makes to show large decreases from 1932. February sales of leading makes in 1933 and 1932, are as follows:

Sales of Leading Automobiles

	Feb. 1933	Feb. 1932	Incr. or Decr.
Chevrolet	582	573	+ 9
Dodge	194	47	+147
Pontiac	164	159	+ 5
Ford	142	297	—155
Plymouth	124	41	+ 83
Buick	106	121	— 15
Chrysler	49	40	+ 9
Frontenac	48	16	+ 32
DeSoto	39	42	— 3
Essex	35	19	+ 16
Willys	32	52	— 20

General Motors Leads

General Motors is, of course, the leading manufacturer according to sales in the first two months of the year with 1,403 cars out of 2,689, or 52 per cent of total sales. This percentage is, however, somewhat smaller than the 60.5 per cent recorded in the same period of 1932.

Chrysler Motors are in second place among manufacturers with sales of 645 cars, or 24 per cent of the total. The improvement over last year is marked, sales in the two months of 1932 being 268, or only 8.5 per cent of the total. Owing to Chrysler's increase, Ford is relegated to third place with slightly less than 10 per cent of total sales as compared with 15 per cent in 1932.

The Big Six

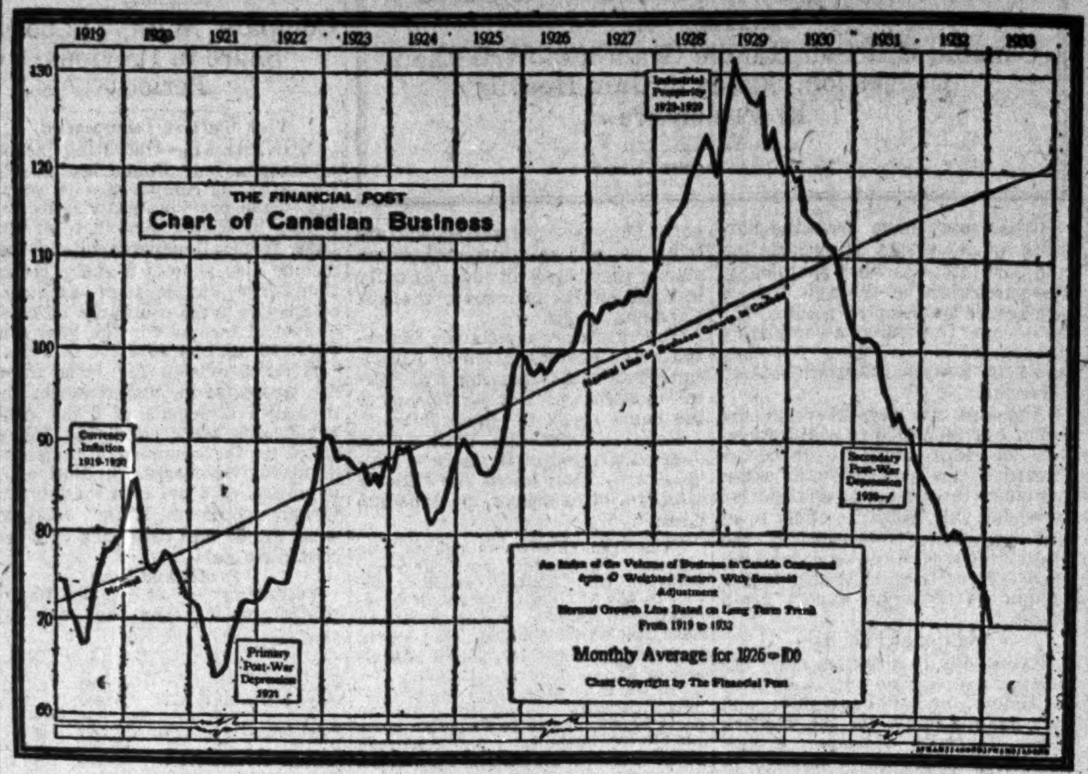
Comparative figures of the six chief manufacturers are as follows:

Sales of Leading Manufacturers (January and February)

	1933	1932	% Incr. or Decr.
General Motors			
Chevrolet	956	1,112	
Pontiac	228	225	
Buick	173	239	
Oldsmobile	34	84	
Cadillac	6	21	
La Salle	6	..	
	1,403	1,681	—16.5%
Chrysler Motors			
Dodge	303	65	
Plymouth	229	96	
Chrysler	61	54	
DeSoto	53	53	
	645	268	+140.0%
Ford of Canada			
Ford	263	426	
Lincoln	...	...	
	263	426	— 38.5%
Dominion Motors			
Frontenac	90	47	
Reo	17	11	
Durant	7	68	
	114	126	— 10.0%
Hudson-Essex			
Terraplane	63	31	
Hudson	14	16	
	77	47	+ 60.0%
Studebaker			
Studebaker	39	73	
Rockne	28	4	
	77	77	...

Canadian Ohio Brass Co., Ltd., Niagara Falls, Ont., have sold their present factory, the site of which is to be added to a residential estate. A new factory is to be built but the company has not yet announced plans.

Business at New Low in Past Month



With six factors unavailable at the time of compilation, The Financial Post preliminary index of the volume of business was 70.4 in the second month of the year compared with 73.6 the final index for January. This represents a new low point on the present movement.

The factors showing the trend of mineral production registered expansion in February and the slaughtering and meat packing industry increased operations after seasonal adjustment. The drop in activity by the primary iron and steel industry had considerable influence in depressing the index of the month.

Only Loadings Show Increase In Comparison

Lower automobile production in February than in the previous month is probably the most disappointing statistical news released this week, though none of the eight February figures compare favorably with either the previous month, or February, 1932. Pig iron and steel output declined to low levels and newsprint production marked the lowest monthly figure since 1925.

Monthly	Feb. 1933	Change From Prev. Period %	Change From Prev. Year %
Bldg. permits...$	906,906	—22.1	—68.1
Pig iron output ...tons	6,144	—79.0	—41.5
Exports ....$	26,813,979	—16.2	—27.6
Imports ....$	23,514,114	— 3.8	—33.9
Auto output ..No.	3,298	— 1.8	—39.8
Newsprint prod. ...tons	125,610	—10.6	—20.8
Cotton imp'ts.lbs.	6,025,500	—31.3	—14.8
Steel ingot prod. ...tons	12,374	—69.6	—56.5
Weekly	**Mar. 1933**		
Car loadings..No.	34,371	+ 0.5	—17.7
Wheat stks. ..bu.	223,448,662	— 0.1	+20.5
Wheat exp. ...bu.	3,104,411	—11.1	+41.6

Business Briefs

Car loadings for the week ended March 11 numbered 34,371 compared with 34,211 in the previous week and the index number rose from 57.46 to 58.40. Coal and merchandise loadings were higher and grain was down.

Lumber mills on the Pacific Coast operated at 22.4 per cent of capacity during the week ended Feb. 18 compared with 21.5 per cent in the previous week and 27.9 per cent in the corresponding week of 1932. Mills reporting to the West Coast Lumbermen's Association numbered 252 of which 95 were operating.

Wheat stocks in the week ended March 9 totalled 223,448,662 bushels compared with 223,534,889 bushels in the previous week and 185,436,854 bushels in the corresponding week of 1932.

Wheat exports in the week ended March 9 totalled 3,104,411 bushels compared with 2,192,262 bushels in the corresponding week of 1932. Exports for the year to date total 155,930,246 bushels compared with 95,380,821 in the same period of the 1932 crop year.

New Industries

British Columbia Power & Gas Co.'s new gas plant was formally opened on Jan. 31. Present capacity of the plant, which covers 6 acres, is 3,000,000 cu. ft. of gas daily and 40,000 tons of coke annually.

Canada Crayon Co., Ltd., will move in April or May from Peterborough to Lindsay, where a plant, which the company has purchased, is now being repaired and altered.

W. Gordon Steel Works, Ltd., Tweed, Ont., are building a steel fireproof factory to replace the plant recently burned. It is stated that the company will be in a position to handle all orders by the spring. A debenture issue of $20,000 is being offered. Tweed business men are said to be the chief buyers.

Look for Early Change In Long Downward Trend

Authorities Point to Strong Financial Position and Increased Prices—February Marks New Low of 4 Year Decline, However

By SYDNEY B. SMITH

Productive operations showed a decline in February conforming to the downward trend of the last four years. The turning point of the depression which is now being expected from month to month by some authorities, did not materialize during the first quarter. Comprehensive statistics now available for February indicate a further contraction and present information regarding March is not so bright as to justify hopes that important resumption has taken place.

The reactionary news in regard to business operations is somewhat counterbalanced by the relatively better showing in other lines. A constructive development was the firm tone in Dominion Government bonds during February. Prices averaged higher than in January when a considerable gain was recorded. Ontario Government bonds also averaged higher in February than in the preceding month.

Banking Gap Narrows

The gap between notice deposits and current loans of the chartered banks has widened, mainly by the substantial reduction in outstanding loans. Current loans are now reduced to the level of the latter part of 926. This disparity has paved the way for large purchases of Government bonds, the holdings of Dominion and Provincial Government bonds at the first of February at $568,000,000 being larger than at any time in the history of Canadian banking.

These factors are cited to show the relatively favorable nature of Canadian financial conditions at the present time. A constructive background has been formed for economic recovery. The unmistakable advance in wholesale prices during recent weeks may also be a harbinger of better times. In the meantime business operations are admittedly being carried on at a low and declining rate. The Financial Post index in the preliminary form was 70.4 in February compared with 73.6 in January. While 41 factors were available at the time of compilation out of 47 used in the final index, it is anticipated that complete returns will be slightly less unfavorable than present figures indicate.

Out of the 41 available factors 18 showed gains while 23 were reactionary. The chief influence bearing on the index in February was the marked decline in operations of the primary iron and steel industry due to completion of rail orders.

Gains were recorded in mineral production and in inspected slaughterings of livestock. Other industries were either at lower levels or showed mixed tendencies. Mineral production was the bright spot of the picture in February, most of the significant factors showing gains after seasonal adjustment. Copper exports from mines were heavier and nickel exports, at 3,469,400 lbs. compared with 3,079,000 lbs. in January, recorded considerable gain despite the shortness of the month. Lead production picked up somewhat in the current period, and zinc exports were 14,006,500 pounds compared with 8,295,500.

Gold and Silver Gain

Gold shipments at 225,492 ounces compared with 262,740, showed a gain after seasonal adjustment. Silver shipments were 997,579 ounces compared with 642,625. Bauxite imports for the manufacture of aluminum were 3,060,000 pounds compared with 2,062,500. Asbestos exports of the better grades dropped off being the only factor used in this connection showing the trend of mineral production, to record a decline.

The milling industry was less active in the last month for which statistics are available, reduction in the four principal products being general after seasonal adjustment. The volume of sugar manufactured in the four-week period ended February 25 was 20,347,000 pounds compared with 27,303,000 in the first period of the year, while a considerable gain would have been normal.

Slaughtering Gains

Inspected slaughterings declined much less than normal for the season and operations consequently after seasonal adjustment showed substantial gains. Slaughterings of cattle and calves were 64,700 head, a gain of 5.5 per cent, after adjustment. Sheep and lamb slaughterings at 36,000 and hogs at 220,400 showed gains after adjustment of 19 per cent and 9 per cent, respectively.

Cheese exports, at low levels conforming to the usual trend during the early months of the year, were 306,300 pounds compared with 363,100 in January. Canned salmon exports showed recession. Out of the ten factors indicating the trend of the manufacture of foodstuffs, four only, including slaughterings and cheese exports, showed gains after seasonal adjustment. Release of cigars was greater in February, the total being 4,675,000 compared with 3,966,000. Raw leaf tobacco and cigarette releases showed a decline.

Crude rubber imports were more than maintained, the gain after seasonal adjustment being 4.5 per cent. Production of leather boots and shoes showed gain more than normal for the season.

Imports of cotton and wool for further manufacture were in lesser volume. Raw cotton imports were 6,025,500 pounds compared with 8,765,000, a decline of 6.5 per cent even after the usual adjustment.

Newprint production was 125,610 tons compared with 140,500, the adjusted index dropping 5 points. Exports of woodpulp showed a moderate gain while shipments of lumber and shingles dropped to lower levels.

Iron and Steel Slack

The banking of one blast furnace at Sault Ste. Marie on February 1 and one at Sydney on the fifteenth, leaving no furnaces in operation at the end of the month, indicates the low level of operations in the iron and steel industry. Pig iron output was 6,144 tons and steel production was limited to 12,374 tons.

The automobile industry was quiet in February, the output being 3,298 units compared with 3,358. Imports of crude petroleum made a good showing, the total being 37,600,000 gallons compared with 35,100,000 in January. As February is normally a quiet month in this line the gain after seasonal adjustment would be much greater than indicated by the crude figures.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Mar. 11)	34,371	41,763	324,797	412,121
C. P. R. gross earn (Mar. 14) $	2,011,000 $	2,276,000 $	18,768,000 $	22,901,000
C. N. R. gross earn. (Mar. 14) $	2,079,557 $	2,550,573 $	20,857,558 $	27,239,891
	Monthly			
C.P.R. net earn. (Jan.) $	223,873 $	617,479	......	......
C.N.R. net earn. (Jan.) $	‡1,420,848 $	‡588,122	......	......
Iron and Steel—				
Pig iron, tons (Feb.)	6,144	10,507	35,358	20,812
Steel, tons (Feb.)	12,374	28,469	53,140	53,529
Automobiles prod., No. (Feb.)	3,298	5,477	6,656	9,208
Automobile exports, No. (Jan.)	277	414	781	996
Construction—				
Building permits (Feb.) $	906,906 $	2,845,271 $	2,070,784 $	6,056,288
Contracts (February) $	3,149,300 $	14,802,600 $	6,511,700 $	27,540,900
Newsprint—				
Production, tons (Feb.)	125,610	158,543	266,149	329,864
Exports, tons (Feb.)	107,446	142,445	235,225	315,358
Sugar—				
Imports, raw, lbs. (Jan.)	8,621,900	11,985,700	......	......
Melt & ship, lbs.*	19,041,407	27,454,330	37,808,036	55,426,344
Manufactured, lbs.*	20,347,109	25,680,631	47,650,242	53,571,920
Flour—				
Production, bbls. (Jan.)	859,107	851,192	......	......
Wheat flour exp., bbls. (Feb.)	333,114	337,518	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Feb.)	37.71	60.44	76.89	114.29
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (January)	35,084,950	72,728,643	......	......
Cotton, imp., raw, lbs., (January)	8,765,000	8,628,000	......	......
Rubber, raw, imp. lbs. (Jan.)	2,663,414	3,911,406	......	......
Coal, imports, tons (Jan.)	486,206	629,683	......	......
Gasoline sales, (Oct., 1932)	45,909,000	54,828,000	^435,827,000	477,119,000
Trade—				
Imports (February) $	23,514,114 $	35,586,085 $	47,955,247 $	69,700,592
Exports (February) $	26,397,528 $	36,431,055 $	57,959,341 $	74,797,754
Wheat exports, bus. (Feb.)	10,922,337	9,898,363	25,629,138	19,370,709
Labor—				
Employment Index (Feb.)	76.8	89.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Jan.)	1,396,658	1,413,918	......	......
Finance—				
Failures, No. (Jan.)	218	238	......	......
Failures, Liabilities (Jan.) $	4,049,929 $	4,060,643	......	......
Bank debits† (Jan.) $	1,968,876 $	2,071,034	......	......
Bond sales (Feb.) $	209,000 $	21,270,069 $	20,412,610 $	67,432,155
Insurance sales (Feb.) $	26,323,000 $	38,145,000 $	75,476,000 $	81,368,000
Automobile Financing:				
Used cars (Feb.) $	631,147 $	801,663 $	1,165,804 $	1,614,164
New cars (Feb.) $	530,449 $	727,705 $	952,201 $	1,360,442

*Four weeks period, Feb. 4 to Feb. 25. †(000's omitted). ‡Deficit. ^Jan. 1 to Oct. 31.

OUTLOOK POOR FOR '33 TRADE IN AUSTRALIA

But Market Improvement Noted in Trade Survey

Although Australia has considerably improved her financial position and has been able in the past six months to considerably improve her imports, the outlook for increased trade with that country for 1933 is not encouraging, according to a special report published this week in the Commercial Intelligence Journal.

The report is prepared by M. T. Stewart, assistant Canadian trade commissioner at Melbourne and gives official trade figures for the commonwealth for the first half of the fiscal year which ended December 31, 1932.

Export Volume High

The survey points out that stocks throughout the country are at a very low ebb and that buying must be resumed sooner or later. This can only benefit importers, however, as Australia's exports rise and this latter cannot occur it is felt until there is a general rise in world prices of primary products since at the present time volume of exports from the country is being maintained at record levels.

"The oversea trade statistics of the Commonwealth for the six months ending December, 1932, indicate an upward trend in imports, which is taken as evidence by some that Australia has weathered the ebb of depression and that constructive forces, although yet obscure, are operating to bring about some measure of economic recovery. The prospects for the future are, moreover, brightened by the fact that a stable Federal Government, committed to budgetary equilibrium involving a rigid control of the expenditure of public funds, is in power.

"It is essential that Australia maintain a favorable balance of trade throughout the current year, in order to uphold her financial position abroad. The trade figures for the six-month period under review indicate a favorable balance of £9,526,000 sterling, a substantial gain having been recorded in the month of December; but it is noteworthy, in this connection, that the favorable balance for the six months ending December, 1931, amounted to £17,243,000 sterling. The smaller balance may be attributed to two factors: first, the increased volume of imports throughout the last six months of 1932 as compared with the similar period of the previous year; and second, a drop in the world prices of the majority of primary products exported from Australia.

Imports Must Be Restricted

"It is to be expected therefore that imports during the year must be restricted well below the volume of exports. Unless there is a rise in the price of primary products, thus increasing the value of the total exports, there is little room for importations to expand; and in fact the volume of imports must be curtailed if Australia is to meet her obligations abroad.

"Financial authorities have been of the opinion that it would be necessary to increase the rate of exchange on London in order to restrict imports, but there is no indication of an alteration in the exchange rate at present. It is to be hoped that the prices of primary products will rise in the world markets and the favorable balance of trade be maintained without resorting to this action. The increase in imports during the past six months has been largely in goods used for production purposes, as for example, petroleum, motor chassis, cotton and linen piece goods, lubricating oils, tools of trade, cotton yarns, and other commodities not of the luxury class.

Competition Keen

"Australian manufacturers have made remarkable progress in the production of a wide variety of articles which, before the incidence of import restrictions and high tariffs, were largely imported, and competition among local manufacturers has reached a very high point. It is doubtful if many of them could compete with oversea manufacturers under the protection of reduced tariffs without the exchange premium on imports, but the fact remains that the requirements of this market are being met by domestic manufacturers to an extent that was considered impossible three years ago.

"The trading outlook in so far as it concerns imports into Australia is not encouraging, although an improvement may be discerned in several lines which must still be imported. Stocks on hand have been reduced to a minimum and must be replenished sooner or later, the time and the amount being largely dependent on increase in the total value of the exports. This increase can only be achieved by a general rise in the world prices of primary products, as a record volume of exports is being maintained by the Commonwealth."

Maritime Lumber & Apples In Demand in Great Britain

Encouraging reports on the Maritime lumber and apple trades emanate from Halifax, N.S. Lumber interests are more hopeful following the rise in sterling together with the disposition of British buyers to encourage Empire trading. There has been some improvement in demand and the opinion is being expressed that a steady improvement in trade with Great Britain can now be expected.

Apple shipments from Halifax during the week ended February 12 were heavy, 24,070 barrels having gone forward to the British market, it is reported.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Mar. 18	Previous week	Same week last yr.
Cattle (cwt.)	$5.00	$4.75	$6.75
Copper, lb.	.06¾	.05	.06
Cotton, lb.	.0655	.0635	.0685
Rubber, lb.	.0309	.0297	.0325
Silk, lb.	1.27½	1.20	1.55
Sugar, raw, lb.	.03	.0287	.0271
Wheat (Man.) bu.	.49⅞	.50⅞	.61½
Hides, lb.	.06	.04½	.06½
Coffee, lb.	.08¼	.08⅛	.07¼

Weekly Indices

N. Y. Annalist	82.2	80.5	91.4
Fishers'	55.0	55.1	†62.0
N. Y. Journal of Comm.	54.0	54.9	59.0
Crumps (Brit.)	59.8	60.0	†62.4

*N. Y. Annalist base, 1913; others, 1916. †Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Feb.)	63.6	63.9	69.2
Retail (Feb.)	79.0	79.7	84.3
U. S. Labor (Jan.)	61.0	62.6	67.3
Gt. Brit. (Jan.)§	46.9	46.0	50.5

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§Converted to U. S. dollar equivalent.

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THE TRUSTS and GUARANTEE COMPANY LIMITED

TORONTO

CALGARY BRANTFORD WINDSOR

J. J. WARREN, *President.* E. B. STOCKDALE *Vice-pres. and Gen. Manager.*

Dollar Returns For Wheat Crop Down Only 3%

Dollar returns to prairie farmers from last season's wheat crop are being maintained by increased volume of deliveries despite the fact that the average return per bushel has fallen from 43 to 30 cents, according to a compilation of the W. Sanford Evans Statistical Service, Winnipeg.

During the period from August 1 to February 28, a total of 296,227,000 bushels of wheat has been delivered and has netted the farmer $89,052,661 while in the same period of the previous crop year, 214,196,000 bushels netted $91,840,809.

Dollar returns in both Manitoba and Saskatchewan are higher than in the previous crop year, while returns in Alberta are down 19 per cent. Comparative figures are as follows:

Net Amounts Received At Country Stations (August 1 to February 28)

	Wheat Delivered (000 bu.)	Value $	Aver. Pr. per Bu. c.
Manitoba			
1933	39,691	14,118,937	35.6
1932	25,009	11,023,591	44.1
1931	37,653	23,246,808	61.7
Saskatchewan			
1933	120,474	36,940,566	30.7
1932	78,935	34,195,590	43.3
1931	119,311	62,815,337	52.6
Alberta			
1933	136,062	37,993,158	27.9
1932	110,252	46,621,628	42.3
1931	108,576	53,773,022	49.5
Prairie Provinces			
1933	296,227	89,052,661	30.0
1932	214,196	91,840,809	42.9
1931	265,540	139,835,167	52.7

Pig Iron, Steel Feb. Output Down

February output of both pig iron and steel ingots and castings failed to hold the gains made in January over the previous year, output in both cases dropping to extremely low figures.

At the end of February there were no pig iron operations in Canada, one of the two blast furnaces which operated throughout January being banked at Feb. 1 and the other on Feb. 15. Production for the month totalled only 6,144 long tons, all from the Sydney, N.S., mill, compared with 29,209 tons in January and 10,507 tons in Feb., 1932.

Production of steel ingots and castings in Canada at 12,374 tons in February showed a reduction when compared with the 40,766 tons of January and the 28,469 tons in February, 1932. The falling-off occurred entirely in the ingots made for further use of producers, this grade dropping to 10,947 tons from 39,820 in January.

February Auto Output Affected By Strike in U.S.A.

Labor troubles in the body plants of Detroit and vicinity which resulted in curtailment of operations of a number of Canadian automobile factories at the beginning of February, accounts for the big decline in the number of cars produced during the month when compared with February, 1932.

There was a slight improvement from January in passenger cars produced, the comparative totals being 3,025 and 2,921, but total cars were less at 3,298 compared with 3,358. In February a year ago, total cars produced numbered 5,477.

Only 278 commercial cars and trucks were produced during the month compared with 437 in January.

THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet, December 31st, 1932

ASSETS

COST OF WORKS owned and operated by the Company	$39,442,857.25	
INVESTMENTS IN AND ADVANCES TO Coal and Ore Mining Companies; and holdings of Company's own Bonds, including those acquired for Bond Sinking Fund	2,833,218.18	
		$42,276,075.43
CURRENT ASSETS—		
Cash on hand and in Banks	$ 893,569.74	
Secured Call Loans	35,000.00	
*Dominion of Canada Bonds and Approved Securities, (market value December 31st, 1932, $6,913,105.41)	6,693,307.73	
Bills Receivable	62,782.66	
Accounts Receivable, less Reserve	1,730,723.27	
Inventories of Raw Materials, Supplies and Products, less Reserve	5,448,757.61	
		14,914,141.01
SECURITIES SET ASIDE FOR SPECIAL PURPOSES, AT COST—		
Shares of the Company and National Service Loan held in Trust for Employees	$199,993.63	
Benefit Plan Fund	419,069.83	
Pension Plan Fund	799,703.56	
		1,418,767.02
DEFERRED CHARGES—		
Insurance and other Expenses paid in advance		48,647.92
		$58,657,631.38

*$10,000.00 Dominion of Canada Bonds are lodged with Royal Trust Company under the terms of Quebec Workmen's Compensation Act.

LIABILITIES

CAPITAL STOCK—			
Authorized—			
400,000—7% Cumulative Preference Shares of $25.00 each			
600,000—Ordinary Shares of no par value			
Issued—			
259,852—7% Cumulative Preference Shares of $25.00 each		$ 6,496,300.00	
460,000—Ordinary Shares of no par value		11,500,000.00	
			$17,996,300.00
FUNDED DEBT—			
6% First Mortgage and Collateral Trust Bonds, due July 1st, 1940, Authorized and Issued		$10,000,000.00	
Less Held in Treasury and by Sinking Fund Trustee		1,649,973.70	
		8,350,026.30	
Less redeemed through Sinking Fund		4,251,411.23	
			4,098,615.07
CURRENT LIABILITIES—			
Accounts Payable, including Accrued Taxes		$ 682,328.45	
Unclaimed Dividends		3,555.23	
Dividends payable February 1st, 1933—			
Preference	$113,685.25		
Ordinary	201,250.00		
		314,935.25	
			1,000,818.93
FUNDS APPROPRIATED—			
Benefit Plan Reserve		$ 419,069.83	
Pension Plan Reserve		799,703.56	
			1,218,773.39
RESERVES—			
Operating Reserves—			
Furnace Relining and Rebuilding, and other Operating Reserves		$ 1,785,920.63	
Contingent Reserve		601,383.66	
			2,387,304.29
Plant Reserves—			
Depreciation Account		$12,595,011.54	
Bond Sinking Fund		4,577,362.48	
			17,172,374.02
Appropriated Surplus—			
For Betterments and Replacements		$ 1,829,674.06	
For Fire Insurance Reserve		200,000.00	
			2,029,674.06
SURPLUS—			
Balance as per Profit and Loss Account			$12,753,771.62
			$58,657,631.38

Toronto, Ont., February 27th, 1933.

Verified as per our report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Approved on behalf of the Board,

R. H. McMASTER
H. H. CHAMP } Directors

Consolidated Statement, Profit and Loss Account

For the Year Ended December 31st, 1932

MANUFACTURING PROFITS for the Year ended December 31st, 1932, after deducting charges for Repairs and Maintenance, and all Taxes, but before providing for Depreciation and Bond Interest		$ 1,435,873.30
INTEREST AND INCOME from Securities and Investments		398,939.36
		1,834,812.66
LESS RESERVES—		
Bond Sinking Fund	$ 363,266.31	
Depreciation	998,014.20	
		1,361,280.51
		473,532.15
LESS INTEREST ON BONDS		256,106.29
NET PROFITS		217,425.86
LESS DIVIDENDS Paid and Reserved—		
Preference Shares @ 7% per annum	$ 454,741.00	
Ordinary Shares @ $1.75 per share	805,000.00	
		1,259,741.00
Deficit for the Year		1,042,315.14
Balance brought forward December 31st, 1931		13,796,086.76
Balance Profit and Loss Account December 31st, 1932		$12,753,771.62

Government and Municipal Bonds

Bought · Sold · Quoted

List of offerings, with recommendations and information, furnished on request.

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DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of April, 1933, to shareholders of record of the 20th March, 1933.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 16th February, 1933.

The Toronto Mortgage Company
Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent, being at the rate of Twelve per cent per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
1st April, 1933,
to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1933, to Shareholders of record as at close of business, March 15th, 1933.

W. S. BARBER,
Secretary-Treasurer.

George Weston Limited
Common Dividend Number 13

NOTICE IS HEREBY GIVEN that a quarterly dividend (No. 13) of twenty-five cents per share on the no par value Common Capital Stock of this Company (being at the yearly rate of One Dollar per share) has been declared for the quarter ending 31st March, 1933. This dividend is payable on and after April 1st, 1933, to Common Shareholders of record at the close of business on the 20th day of March, 1933.

CHARLES W. KERR,
Secretary.
Toronto, 16th March, 1933.

Northern Ontario Building, Ltd.
NOTICE TO FIRST MORTGAGE BONDHOLDERS

The half-yearly interest due April 1st, next, will be paid in Canadian Funds, at the principal offices of the Bank of Nova Scotia, in the cities of Montreal, Toronto, Halifax, St. John, Winnipeg, or Vancouver.

T. A. SPOOR,
Secretary.
Toronto, March 20, 1933.

Canada Iron Foundries, Limited
DIVIDEND NOTICE

Notice is hereby given that a Dividend of 1½% on the Preferred Shares of this Company has been declared for the half year ended December 31st, 1932, payable April 30th, 1933, to holders of record April 15th, 1933.

By order of the Board.
M. S. GROGAN,
Secretary-Treasurer.
Dated at Montreal, March 20th, 1933.

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending March 31st, payable April 15th, to shareholders of record March 31st, 1933.

By order of the Board.
JAMES WILSON,
Secretary-Treasurer.
Montreal, March 20, 1933.

Montreal Tramways Company
DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending March 31st, 1933, has been declared upon the paid-in Capital Stock of the Company, to Shareholders of record on Thursday, the 6th day of April, 1933, at 4 o'clock p.m. and payable on Saturday, the 15th day of April, 1933.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
March 20th, 1933.

67th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the NEW no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending March 31st, 1933, has this day been declared to shareholders of record, March 31st, 1933, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders, April 29th, 1933.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, March 20th, 1933.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

NEWS FROM
Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Hightlights of the week in Dominion Parliament were:

March 15, House of Commons — Debate on the railway legislation continued.

Senate—The debate on the resolution proposing an investigation by a select committee of senators into election costs continued. Senate adjourned until March 28.

March 16, House of Commons—Second reading of the railway legislation adopted 120-65.

Agricultural committee—Investigation into the milk distribution situation at Montreal continued.

Banking and commerce committee—Dr. R. H. Coats, Dominion Statistician, gives further evidence in regard to debt, with particular reference to farm mortgages.

Senate banking and commerce committee—Consideration of the Revised Canada Shipping Act begins. Senator Meighen announced the Government desires to enact the measure this session.

March 17, House of Commons—Supplementary estimates covering National Railways' deficit $53,422,000, and numerous smaller items are voted and special bill approved. Main estimates proceeded with. Woodsworth's amendment to the Immigration Act relieving those who become public charges due to lack of employment from liability to deportation defeated on second reading.

March 20, House of Commons — Prime Minister Bennett announced that "appropriate" action has been taken under the Canada-New Zealand trade treaty to prevent the importation of New Zealand butter to the detriment of Canadian producers. Hon. Hugh Guthrie, Minister of Justice, introduced an amendment to the Criminal Code restricting the sale, possession and carrying of pistols and revolvers.

Hon. R. J. Manion moves an amendment to the Unemployment Relief Act extension bill providing that the Federal Government may accept provincial securities in return for loans and that the government be given blanket powers to ensure peace, order and good government throughout the country. Amendment carried 60-23.

March 21, House of Commons—Hon. E. N. Rhodes delivered the annual budget.

Agricultural committee — Evidence is taken upon the capital structure of the Eastern Dairies Ltd., a parent company interested in milk companies in several of the largest of Canadian cities.

British Columbia

VICTORIA, March 10.—E. C. Carson proposed three ways to accomplish a nation-wide interest cut. They were: (1) conversion of all bonds to a lower interest rate; (2) heavy surtax on all government bond coupons; (3) script issue which would write itself off in a year by attachment of postage stamps.

March 14—T. D. Pattullo, Opposition leader, stated that if the Federal Government refused to write down interest charges, British Columbia should do it alone.

March 15—Budget speech. Estimate expenditure at $22,729,593 which includes $2,421,620 sinking fund. Revenue $20,497,591 but as full sinking fund will not be made no deficit is expected.

Alberta

EDMONTON, March 13 — Western Canada loan board to guarantee all refunding issues of the western provinces advocated by D. M. Duggan, Conservative leader. Act to revise automobile insurance law gets first reading. Act would make third party insurance and coverage up to $5,000 for personal liability compulsory.

March 14 — Premier Brownlee defended highway estimates in budget by stating that a $20,000,000 investment would be lost unless highways were maintained.

March 15—Debate on budget again centred on payments to highway contractors. State medicine advocated by Chris. Pattinson, Labor.

March 16—Committee appointed to probe charges of fraud in administration of highway fund.

Agricultural Committee—J. M. Macdonnell, general manager of the National Trust Co., Toronto, opposed the proposed new debt adjustment act.

Saskatchewan

REGINA, March 9 — Debt adjustment bill granted second reading without division. Lending corporations blamed for forcing action owing to capitalization of unpaid debts.

March 10 — Hon. A. C. Stewart, Minister of Highways, told the house that the large gas companies have threatened that they will refuse to collect the proposed gasoline tax. Debt adjustment bill at present before the house has been tested for validity, it was stated.

March 13—Provincial forestry air patrol formed. Saskatchewan Government takes responsibility for cancellation of a year's interest on loans of Farm Board made last December.

March 14—Necessity for unemployment insurance urged. Prohibition of an interest rate in excess of 5 per cent proposed by E. S. Whatley, Farmer-Labor.

March 16—Removal of duties on gasoline urged by J. V. Patterson, Conservative. House went on record as favoring a state medical service probe.

March 17—Revision of school grants forecast and closing of normal school in Regina contemplated.

Manitoba

WINNIPEG, March 13—Manitoba's fish trade, both wholesale and retail, under review. Provision of fish for unemployment relief assured at a reasonable price by Minister of Natural Resources.

March 14—Government is leasing only and refusing to sell any sites at Churchill, the Minister of Natural Resources said in reply to a question. Grant of $1,000 for Manitoba's participation in Regina world seed fair.

March 15—Seed grain and fodder relief will cost Manitoba $200,000 this spring, Hon. D. L. McLeod, municipal commissioner, told the House.

March 17—Budget under discussion. Some reduction may be made in expenditures, it was stated.

Ontario

TORONTO, March 15—Bill to give threshers a lien on the grain they thresh so that they may obtain their charges, defeated. Ontario Government is not aware of the names and addresses of bondholders of Ontario Power Service, it was stated in reply to a question.

March 16—Throne address debate wound up with majority of 61 for government.

March 17—Change in school regulations forecast that will allow schools to make drastic economies. Tightening of liquor laws proposed in bill presented by Attorney-General Price.

March 20—Question of compulsory voting will be discussed during present session, Premier Henry announced.

March 21—Hairdressers' and Barbers' bill held over for further consideration under a special committee. Bill would strengthen hold of union barbers as each store would have to employ at least one union barber. Provincial committee on dairying problems urged Ontario Department of Agriculture to make probe of its own on milk prices if it was not satisfied with federal probe.

NOTICES

—WANTED—

An opportunity to represent manufacturer, in Western Canada, on a commission basis, by a Canadian, 38 years old, with 14 years selling experience, Winnipeg to coast. Box 111, The Financial Post, Toronto.

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Ten years experience control of labor 550 hands, production, costs, purchasing, sales. Seeks larger field, greater responsibility. Intimate knowledge law, CPA., Canadian, 38 years.

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DIVIDEND NOTICES

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 13

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending March 31, 1933, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on April 1st, 1933, to shareholders of record on the register at the close of business on the 25th day of March, 1933.

By order of the Board,
M. MAYNE KENNEDY,
Secretary.
Toronto, Ontario, March 22, 1933.

"CANADA DRY"
Ginger Ale, Incorporated
A Delaware Corporation

DIVIDEND NOTICE

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held March 20, 1933, a quarterly dividend of twenty-five cents ($.25) per share was declared, payable April 15, 1933, to stockholders of record at the close of business April 1, 1933.

R. W. SNOW,
Secretary.

IMPERIAL BANK OF CANADA

DIVIDEND NO. 171

Notice is hereby given that a Dividend of two and one-half per cent (2½%) upon the paid-up Capital Stock of this Bank, has been declared for the quarter ending April 29th, 1933, payable at the Head Office and Branches on and after Monday, the First day of May next, to shareholders of record of March 31st, 1933.

By order of the Board.
A. E. PHIPPS,
General Manager.
Toronto, March 15th, 1933.

Astoria Rouyn Mines Comes Under Eye of Con. Smelters

Consolidated Smelters are interested in the developments at the Astoria Rouyn Mines, which adjoins the Granada Mines in Rouyn township, Quebec, according to advice from Rouyn, and R. M. Macaulay, a Smelters' engineer, was a recent visitor to the property.

Surface work is continuing to show free gold in a strong vein that measures up to eight feet in width.

CANADIAN GENERAL INVESTMENTS LIMITED
Dividend Notice

NOTICE is hereby given that a dividend of Ten Cents (10c) per share on the paid-up capital stock of the Company has been declared for the quarter ending March 31st, 1933, payable April 1st, 1933, to shareholders of record March 15, 1933.

SHARE WARRANT holders will present Coupon No. 19 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By Order of the Board.
E. M. STRAIN, Secretary.

U. S. Loss by Grain Rule Many Millions Yearly

Canada, if It Can Handle Grain Export Without Congestion, Stands to Gain Heavily by Preference

By THOMAS R. KIRKWOOD

Great must have been the surprise of American transportation and port interests when they learnt the particulars of the new British preference on Empire grain. The news came to them as a completely unexpected shock. They felt they had such a virtual stranglehold on this traffic.

Although for several years the belief has been held in well-informed American quarters that the United States was gradually passing out of the picture as an exporter of wheat, this had little effect upon the aggressive interests in the United States who concentrated their efforts to gain a still larger volume of Canadian export grain traffic.

Additional Facilities

Extensions to grain storage capacity were carried out at Buffalo, Baltimore, and Philadelphia; and last year Albany, on the Hudson River, formally dedicated, a new 13,000,000-bushel grain elevator to provide facilities to enter into competition with Canada's eastern ports.

The New York Produce Exchange—a venerable and respected institution of long standing—inaugurated in February, 1931, a new grain-futures market, called by name, The New York Bonded Grain Futures Market. In setting forth the aims of this new market, the committee in charge indicated its complete dependence upon Canadian grain as a medium of trade.

Their original literature said:

"Due to the favorable location of Buffalo, large quantities of contract wheat can always be made available. A glance at the graphic map on the the last page of this pamphlet reveals the premier position occupied by Buffalo as a receiving and forwarding market; it is the centre toward which the grain of the Western wheat fields naturally gravitates on its journey toward the Eastern consuming markets. Wheat can be brought from Fort William and Port Arthur to Buffalo in four days, and millions of bushels move through its elevators weekly. With a storage capacity of over 40,000,000 bushels, Buffalo has unexcelled grain-handling facilities; and it is therefore evident that the question of supply is no problem for our market."

Not Active Now

At the moment the bonded grain futures market is still in existence but is not very active. There is only an occasional trade now.

American interests are putting up a big fight to keep open their routes for the free and unrestricted movement of grain to the British market. They do not lack sympathizers, both in Canada and in England, who believe that the Canadian routes alone are inadequate for the expeditious and cheap handling of the export movements; sympathizers who have stated that the benefit of the preference on Canadian grain will be dissipated in the higher cost and inconvenience of routing exclusively via Canadian ports the shipments to Britain.

Pressure on Great Britain

Test shipments via Buffalo and New York have been made on the "Laconia" and the "Britannic" by American interests, with the cooperation of Winnipeg grain merchants, in an effort to find a loophole in the British customs regulations governing the application of the preference on Canadian grain.

Heavy pressure upon the State Department at Washington has been brought to bear by representatives of United States Atlantic ports, and others interested, who are temporarily forgetting competition among themselves in favor of unity in their efforts to recover the lost Canadian traffic.

The records visualize the importance of Canadian grain to American ports and American transportation agencies. Let our friends to the South speak for themselves.

Here is what the Wall Street Journal printed in its issue of November 7, 1928, about the "Heavy United States Stake in Canadian Grain":

"American shipowners and railway elevator bondholders have a heavy stake in the Canadian grain traffic. . . . In the 1927-28 (crop-year) movement, 493 vessels of the American Lake fleet were employed. They moved to American ports 141,735,153 bushels and to Canadian ports 7,214,621.

"In the same time 787 boats of Canadian registry moved to American ports 27,669,927 and to Canadian ports 145,110,250 bushels . . . . American ports received ultimately 169,405,080, while Canadian port receipts were only 152,324,871 bushels of this purely domestic traffic.

"And this has been the story of Canadian grain exports for 20 years—more than half of the products of these grain farmers on the Prairies that have gone out to world markets, wholly of Canadian origin, have passed into American ships' bottoms at Fort William, on to American lake ports, across New York to tidewater ports and out to world markets.

"It is a substantial trade, of alien origin, that enables American bondholders and wage earners to exact the profit of handling more than half of each bushel of this grain. Around $43,000,000 is the total of this profitable business that was paid into United States channels in 1927-28. That they did not reap even a richer harvest was due to the fact that the new western route handled 80,000,000 bushels last year through the Port of Vancouver."

Annual report (1929) of the Port of New York authority gives the following illuminating information:

"The investigation of the Port Authority revealed that this Canadian grain constituted 20 per cent of the export tonnage from the Port of New York; earned a gross annual revenue of $9,000,000 for American railroads and barge canal operators serving North Atlantic ports; and furnished from 20 to 75 per cent of the eastbound cargoes of steamships operating from the Port of New York."

Can We Give Service?

The foregoing, which does not mention earnings of United States ports and grain elevators, is but another example of the vast benefits realized by foreign interests from the handling of Canada's export grain. The British preference ruling of last November suddenly and arbitrarily changed this picture of American profits. Now, if Canada's transportation companies and seaboard elevators can give the prompt service required by the grain trade, her own people may participate to a much greater extent in these vast benefits.

If it should come to pass that congestion of grain at a Canadian seaport were to cause such a change of British policy as to reopen American routes, what would be the loss to Canada's transportation agencies and seaboard ports?

Mr. Kirkwood, who is a well-known shipping operator in Montreal, will continue this discussion in later articles which will deal with some aspects of Canada's ability to handle our grain exports through our own ports.

Royal Probe on Banking Follows Petition by M.P.'s

From Our Own Correspondent

OTTAWA. — A Royal Commission is to be appointed to investigate all phases of banking and monetary policy in Canada. This decision follows circulation of a petition among members of Parliament which was widely signed. The problem of a central bank for Canada will be one of the subjects investigated by the commission.

The purpose of the petition was to persuade the government to collect, through a commission, a body of material which would assist Parliament next year in the decennial revision of the Bank Act. Another purpose was to give the inflationists, whose name is legion, an opportunity of placing their views before the bar of public opinion.

At the moment, the inflationists are propagating their beliefs largely as a political programme and it is felt that if they can be brought into the less partizan atmosphere of a Royal Commission, the general public will stand a better chance of weighing the relative advantages of sound money and fiat currency.

Would Educate Only

The Government's plans will call for setting up of a commission with a scope similar to that given the McMillan committee in England. There is this distinction, however, that while the McMillan committee made a report tendering advice to the government, the announced commission would be required mainly to educate the public. In other words the government is not wavering in its sound money policy and has made this quite plain before the enquiry is to be launched.

Legislation extending for one year all existing bank charters will soon come under discussion in the Commons. This legislation may meet with opposition from Liberals and Progressives alike. Both opposition parties desire to revise the bank act now, not one year hence.

Exemption From Tax

Banks receive a small but useful exemption on part of their circulation tax under the terms of the new budget. Notes of Canadian chartered banks in circulation in British colonies or possessions which levy a circulation tax themselves are now exempted from the Dominion circulation tax.

The exemption is not to exceed the amount of taxation required to be paid to such colony or possession. If such British territory exacts a tax less than the Dominion tax, therefore, banks will have to pay the Dominion tax to the extent of the difference between the territory's tax and the Dominion tax.

This exemption is introduced chiefly to aid the banks in doing business in the British West Indies and Newfoundland. Circulation taxes levied by these territories, where Canadian banks operate a number of branches, were duplicating the Dominion circulation tax. Canadian bank notes are in public use in several of the islands of the British West Indies, and are the common circulating medium in Newfoundland.

Tax All Cheques Three Cents Each Except for Milk

All cheques, receipts to banks, money orders, etc., must pay a three cent stamp tax in Canada, starting May 1, according to the new budget proposals. Exemption will be made only for cheques under five dollars issued by butter or cream factories to producers of milk and cream. The exemption for all cheques under five dollars, which has been in force since 1931, was made after the 1931 budget was introduced because of the complaint that it would mean a heavy drain on cheese factories and creameries.

Resumption of a three cent stamp tax on all cheques, except for the exemption noted, places this tax on the same basis as in the fiscal years 1915 to 1922 inclusive. The new tax is to be three cents instead of two cents, as from 1915 to 1922, however. In 1922, a sliding scale of cheque taxes was introduced, running up to a maximum of two dollars on large cheques. The maximum was reduced to one dollar in 1923. This continued until 1925, when the tax was removed on all cheques for five dollars or less. In 1927 a straight two cent tax on all cheques, except for amounts of $10 or less, was adopted. In 1931 the tax of three cents on all cheques for five dollars or more was instituted.

IRON FOUNDRIES SHARE EARNINGS $1.80 LAST YEAR

Compare With $12.65 a Share in Previous Period

From Our Own Correspondent

MONTREAL.—Operating income of Canada Iron Foundries in 1932 was $187,303 compared with $345,448 in the previous year, reflecting a drop of 50 per cent in total tonnage from all departments. Other income also showed a sharp reduction since earnings of affiliated companies were similarly affected and total income for the year was $369,900 against $611,707 in 1931.

After provision for bond interest, depreciation, maintenance, and preferred dividends of 3 per cent, net profits were equal to $1.80 a share on the common on which no dividends were paid. In 1931 after payments of 6 per cent on the preferred, common share earnings were $12.65 and dividends of 3 per cent were paid.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Oper. inc.	187,303	345,448
Other inc.	182,597	316,259
Total inc.	369,900	661,707
Deprec.	195,069	195,059
Interest	25,800	27,300
Maintenance	3,793	4,440
Dividends	116,334	280,635
Surplus	28,916	154,273
Prev. surplus	352,750	198,487
P. & L. bal.	381,676	352,760

Working Capital

	1932	1931
	$	$
Current assets	1,431,284	1,845,056
Current liabs.	246,196	376,017
Working capital	1,185,088	1,469,039

Loans to Affiliates

Decline in current assets is due to a drop of $78,000 in cash which totals $55,529 and a reduction of $100,000 in government bonds which total $57,215. Accounts receivable are down $153,000 at $258,878 and call loans are unchanged at $450,000. Loans to affiliated companies of $373,148 make their first appearance; these consist largely of cash advanced to the Pressure Pipe Co. of Canada to finance current contracts.

In liabilities, former bank loans of $60,000 have been liquidated and loans from affiliated companies have been reduced by $93,000 to $220,380. Payables are slightly higher at $156,849. During the year there were redeemed $25,000 of 6 per cent first mortgage debenture stock leaving $430,000 outstanding. General reserve is unchanged at $936,000.

In his remarks to shareholders, C. L. Jobb, president of the company, said in part:

"During the period under review, your company experienced a very decided curtailment in volume of business, total tonnage from all departments being 50 per cent below that of 1931. Tonnage and net earnings of affiliated companies were similarly affected and dividends from this source proportionately reduced."

MASSIVE PORPHYRY BELOW 4,900 LEVEL AT KIRKLAND GOLD

Annual Meeting Hears of Latest Developments and Ore Possibilities

Massive prophyry, with which the rich ore bodies of the Kirkland Lake camp have been associated, has been encountered below the 4,900 ft. level, Dr. J. B. Tyrrell, president of the Kirkland Lake Gold Mining Co., told shareholders at the annual meeting in Toronto on March 21.

A winze has been sunk to a depth of 543 ft. below the 4,900 ft. level but it is not the intention to do further sinking this year.

Dr. Tyrrell reviewed the history of the property and its deep development programme in search of the massive porphyry conducive to large ore deposits but reminded shareholders that the syenite belt between the 1,850 and 2,975 ft. horizons had yielded some $2,000,000 in gold.

Development work in detail was commented on as follows:

"So we continued sinking and we struck the porphyry in the shaft at a depth of 3,875 ft. Between the 3,600 and 4,000-ft. levels along the top of the porphyry we got rich ore and we are still getting it right down to the 4,750. From the 3,600 to the 4,000-ft. levels the ore bodies were consistent, but between the 4,000 and 4,750, instead of consistent bodies, the ore is broken up and structural conditions between the 4,000 and 4,700-ft. levels appears to have torn the ore shoot into disconnected lenses. South of the fault on the 4,900-ft. level, the existence of a great body of porphyry more than 400 ft. wide has been proved by crosscut and drill hole, and No. 2 winze has proved it to extend downward to at least 550 ft. below the 4,900-ft. level. How much wider and deeper it extends, we will not know until more work has been completed.

Deductions Correct

"We have proved that the deductions drawn from a geological study of the mine and its surroundings, on which our deep development programme has been based, were correct. Rich ore bodies were found, but they are not as large as those on most of the other mines along the Great Fault.

"No. 2 winze is down 550 ft. below the 4,900-ft. level, and we have started to open up four new levels from it, with what success remains to be seen. Our vein is in or close to the immense intrusive mass of feldspar porphyry with which the great ore bodies on the adjoining claims, only a few hundred feet away, are associated, and its presence is undoubtedly very favorable to us.

"In the early part of 1932 your company took over from Northern Canada Mining Corporation a controlling interest in the Grozell-Kirkland Gold Mines Company, which owns a compact block of five claims, consisting of approximately 114 acres, immediately south and southwest of your property. Your directors do not know, any more than the other shareholders, whether or not there are commercial ore bodies on this property, but we do know that the Kirkland Lake vein dips toward the Grozell-Kirkland boundary, and that for the last 2,000 ft it has been dipping at the rate of about 30 ft. southward to every 100 ft. in depth.

Vein on Grozell

"At the 4,900-ft. level no one knew whether the vein, if followed westward, would run into the Macassa ground, to the west of us, or into the Grozell ground, to the south of us. But it has curved southward and entered the Grozell property about a hundred ft. west of the southwest corner of the Kirkland Lake property, and between this point and the western boundary of the Grozell there is a length of about 1,000 or 1,200 ft. which is as yet unexplored."

DIABETES —*the Lion caged*

DIABETES, under control, might be likened to a safely caged lion. Out of control, it strikes with a lion's speed and crushing power.

The discovery of insulin and its application to the treatment of diabetes is one of the great triumphs of medical science. It has saved many thousands of lives.

Insulin has not only rescued children who would have been doomed without it, but it has enabled them to grow and to live the normal, healthy lives of their playfellows. It has lifted chronic diabetics out of the invalid class, making it possible for them to carry on industrious, useful careers.

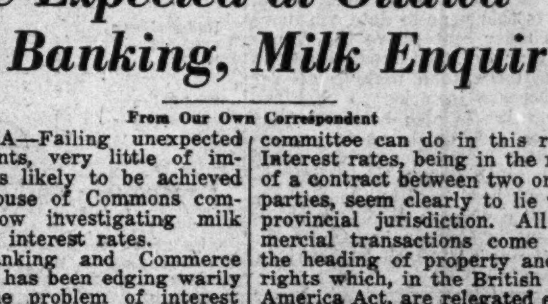
Before this great discovery, a victim of diabetes was forced to adhere strictly to a wearing and often spirit-breaking diet—if he would live. Suffering from a constant and almost unbearable craving for rich food and sweets, he struggled to obey his doctor's orders—"No starches, no sugars." The dining room was a dreary place for a diabetic.

What a contrast between the old, half-starved, hopeless days and the present time when the majority of diabetics are allowed many of the things they like to eat. A goodly percentage of them will live out the expected span of life for their ages.

Diabetes is by far most frequent among overweight persons. It may be largely prevented by correct diet and proper exercise. New cases of diabetes appear with almost mathematical regularity—thousands each year in this country. But a person who showed no trace of the disease last year and now finds unmistakable symptoms has little cause for anxiety. In all probability his case can be fully controlled by proper diet, exercise and the use of insulin.

Still a grave danger remains. Insulin has such a tonic effect on a diabetic that he sometimes makes the mistake of regarding himself as cured. He must be reminded that if he lets his lion, Diabetes, get out of control he runs a risk which may be fatal. As long as he keeps his lion caged he is safe.

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President
CANADIAN HEAD OFFICE . . . OTTAWA



SERVING CANADA SINCE 1872

Little Expected at Ottawa Of Banking, Milk Enquiries

From Our Own Correspondent

OTTAWA—Failing unexpected developments, very little of importance is likely to be achieved by the House of Commons committees now investigating milk prices and interest rates.

The Banking and Commerce committee has been edging warily around the problem of interest rates, but beyond a plan to explore the constitutional position in this regard, and the taking of statistical evidence from Dr. R. H. Coats, of the Bureau of Statistics, with respect to debt, nothing has been accomplished.

Independent Conclusion

Without the slightest assistance from the committee, the banks and the trust companies seem to have come to a decision regarding a reduction of interest payments on deposits. From this decision, the government expects a general easing of interest rates, thereby improving the prospects for the new Federal loan.

As a matter of fact it would appear there is very little a Federal committee can do in this regard. Interest rates, being in the nature of a contract between two or more parties, seem clearly to lie within provincial jurisdiction. All commercial transactions come under the heading of property and civil rights which, in the British North America Act, are relegated exclusively to the provinces.

The committee at an early date sensed this weakness and, just to be certain, a questionnaire was drawn up inviting the Minister of Justice and the various attorneys general to express an opinion upon the competence of the Commons committee or parliament to act. It will probably take a year or more to get the answers.

Producers Wary

The agricultural committee has been burrowing into the milk situation at Montreal. A good deal of evidence has been taken but quite clearly the producers are loath to appear and nothing much can be done in their absence.

ASSOC. TELEPHONE ARRANGES BUDGET

Expect Cash Income Will Exceed Outgo for Current Year

From Our Own Correspondent

MONTREAL. — Cash income of Associated Telephone and Telegraph Co. in 1933 will be sufficient to cover all charges and leave a small balance, according to preliminary budget indications.

In referring to the current position the W. C. Pitfield and Co., investment bankers of Montreal, have circularized holders of Associated Telephone's debentures, preferred and Class A shares to the following effect:

"In our recent letter we advised that an involuntary bankruptcy action had been instituted against Associated Telephone and Telegraph Company in Chicago by three small corporations in Vancouver, B.C. You will be glad to learn that we are now advised by the company that this suit has been decided in its favor.

"The case was heard in the Federal Court in Chicago on March 3. The company submitted evidence as to its solvency; the court found it solvent and dismissed the case. We are advised by the Associated Company that no litigation is now pending against it.

"We are also informed by the company that budget of prospective cash income and outgo for the year 1933 has been completed and indicates that cash income will be sufficient for the current year to pay all expenses and bond and other interest requirements, leaving a balance over. The company states that the budget is to some extent an estimate based on conditions as at the time it was made, but that it has been carefully compiled.

"We are also informed that the company expects to pay debenture interest promptly as usual. Funds have already been deposited in full with the trustee for the interest due May 1 next.

"The management has made substantial reductions in operating expenses and states that in its opinion the organization is now so adjusted that it can handle a considerable amount of additional business without substantial increase in operating expenses."

Desaulniers Elected Member Prudential Trust Board

From Our Own Correspondent

MONTREAL. — Dr. E. Merrill Desaulniers has been elected a member of the board of directors of the Prudential Trust Co. For a number of years Dr. Desaulniers was active in provincial politics and of late has been a member of the Quebec Liquor Commission.

Hall Manufacturing Secures Plant

The Hall Manufacturing Company of Canada, Ltd., a subsidiary of Toledo company, has secured premises at Walkerville, and will manufacture boring bars, cylinder hones, and other automotive equipment machinery.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Low Audit Fees Lead To Inadequate Check

Auditor's Certificate Should Make Limitations Apparent—Mr. Justice Donovan in Winnipeg Gave Judgment Against Auditors For Losses Undiscovered

The most prevalent evil in the whole matter of the relation of an auditor to his clients, according to an accountant in a recent letter to The Financial Post, is the fact that work is continually accepted at fees which do not provide for an adequate detailed check-up. The evil becomes worse when the report or certificate as to the audit having been performed is couched in phraseology such as to imply a thorough audit. That certificate, our correspondent insists, should be explicit in its statement of the exact work done and indicate as well anything important which has not been done.

It is suggested by this correspondent that the idea expressed in the headline to a recent article in The Financial Post, "Auditor is Watch-dog Not Bloodhound," needs to be qualified somewhat in view of the recent opinion expressed by Mr. Justice Donovan in the King's Bench Court of Manitoba when International Laboratories, Ltd., brought action against a firm of accountants for damages because for three years as auditors they had not discovered and disclosed to their clients peculations by an employee.

Puts It Up to Auditors

The learned judge held that the plaintiff had established its claim for the amount of the defalcations of $26,209, and gave judgment against the auditors accordingly. He dismissed the counter-claim for $3,549 as fees for making a special investigation to determine the amount of the defalcation by the employee after the latter had confessed. The judge held that the books were not complicated, that reasonable diligence would have led to discovery of the defalcations and that as auditors had been paid for their work from year to year they could not legitimately ask for payment of an account for additional work made necessary because they had fulfilled their duties negligently previously. Independently of the special instructions of the plaintiff he held they were obliged to investigate to the extent they did when their suspicions were aroused in auditing for the year ended Sept. 30, 1930.

Bonding Does Not Protect Auditor

The learned judge also would not take into account the fact that the plaintiff had received through a bonding company the greater part of the loss sustained through the defalcating employee. That had nothing to do with the arrangement between the company and the auditors, and the latter were not thereby relieved of one iota of the need for care in their duties. He did not think that the auditors should be held responsible for defalcations previous to the time of their first complete audit because under their arrangement they did not make monthly or other audits at any specific periods before the end of the year.

The Financial Post gave a short summary of this judgment when it was first made but did not quote it in the article entitled "Auditor is Watch-dog Not Bloodhound" because it understood that an appeal had been made. However, the opinions of Mr. Justice Donovan are of wide interest in this connection and herewith a more extended summary and some excerpts are given as bearing on the point of the extent to which an auditor should be held responsible.

The defense was that the arrangement with International Laboratories was only for a balance sheet audit and only called for a series of tests of the books and not for a detailed check. It was argued further on behalf of defendants that before the auditor can be held to be negligent for failure to detect fraudulent entries or omissions or manipulations there must be something to arouse suspicion and not merely to invite further inspection or enquiry. It was argued that there was contributory negligence by plaintiff, that the negligence alleged was not the proximate cause of the loss, that there was no liability on the auditors to detect fraud, and that breach of contract would have to be shown.

Easy to Detect

The judge pointed out that there had been 1,400 thefts, that defalcators' methods were neither novel nor ingenious and that most of them were in respect of cash sales through the petty cash account. Cheques for large amounts to fictitious payees enabled the employee to get a considerable amount as well.

Defendants stated that in 1924 the audit had been expressly limited in scope because the manager of the plaintiff company had thought the cost too high and the fee had been reduced. The limited audit, however, included the statement of plaintiff that an audit was expected "especially of the receipts and disbursements of cash notes and securities in connection with the business" and that "special attention be given to the pay-roll and paying of freight charges and other expenses." The judge felt that the auditors were therefore required to report not only on the form and contents of the balance sheet and books and accounts forming the basis thereof but took a responsibility for reporting on the true condition and state of the company's affairs. He held that the certificate signed by the auditors itself upheld this view.

Certificate Defines Responsibility

The auditors' certificate stated that the balance sheet, "in our opinion, is properly drawn up so as to exhibit a true and correct view of the company's affairs as at Sept. 30, 1929, according to the best of our information and the explanations given to us and as shown by the books." The "true and correct view," the judge said, should have shown that the assets were being taken away through a constantly enlarging opening which could have been and was ultimately discovered on a later examination of the accounts of the company.

The system used by the plaintiff company had been devised by auditors for them. Later a change in handling of cash had been suggested but was not complied with and no later complaint was made. Defendant had pointed out to the manager that accountant was in a unique position to withhold collections but the manager was not their client, was one who should be checked up by them and their suspicions should have been checked up. All subsequent loss would have been saved if shareholders had been told of the accountant's unique position and that no check-up was made.

Evidence showed how far apart were the understandings both of business men and of accountants as to what was meant by the term, "Audit." Auditors, in the judge's opinion, should make very clear in their certificates the limitations of their audit and how far short it was from what "reasonable business men understand that term to mean."

"Watch-dog" is Defined

On the plea of the defense that an auditor "is a watch-dog but not a bloodhound," Mr. Justice Donovan said:

"As I understand it, the useful work of a watch-dog is based on the fact that he is expected, particularly if he be in the dark, to raise an alarm whenever he sees or hears anything unusual, and if a possible marauder appears to be approaching, to continue his combined protests and threats with two objects in view: (1) that the cause of the fancied threat may be withdrawn, and (2) that his master may be aroused to his danger; and only when one of these objects has been accomplished will he be considered to have discharged the duties of the position which he assumed.

"He will not have performed the functions of his office if after one howl he retreats 'under the barn,' or if he confines this protest to a fellow watch-dog. . . . .

Knew Check Was Faulty

"The defendants were aware that the system of check was faulty, and the danger of fraud and theft by the accountant always present, so that the default of the plaintiff or its other employees in not remedying that situation does not appear to me to excuse the continuing negligence of the defendants. . . . .

"In Dicksee on 'Auditing,' 12 Ed. at p. 7, it is stated:

"The object of an audit may be said to be threefold:
(1) The detection of fraud;
(2) The detection of technical errors;
(3) The detection of errors of principle.
His research for fraud should be unwearying and constant;

"The defendants must in my opinion be held to have known that the plaintiff expected that an audit would be a safeguard against at least such forms of fraud, theft and manipulation as were used by Harris against the plaintiff.

"The defendants' failure to at any time check Harris left him both the opportunity to operate and must have led to the conviction in his mind that he could with comparative freedom continue his defalcations.

"His undoing in the end apparently arose from the fact that he was called to account in respect of his cash some thirteen days before the expiration of the financial year, rather than after the year had terminated."

Imperial or B. A. Oil?

Which is the better buy, Imperial Oil or B. A. Oil? Is this a market to buy?

In deciding between Imperial Oil and B. A. Oil common stocks, you have to decide whether you would prefer to take your chances with a company which draws its revenue from the world at large as Imperial Oil does, or one like British American Oil whose chief revenue is derived from Canada. Imperial Oil is the leading oil company in Canada and British American Oil is the second company.

British American Oil's revenue is obtained mainly within Canada, though something is obtained from its crude oil wells in East Texas and Oklahoma. British American Oil in 1932 earned 99c. a share and paid 80c. dividends. It is now a fully integrated oil company, getting crude out of its own wells in the southern states, transporting it in chartered oil tankers and bringing it down through the Great Lakes in its own oil steamers. The company owes a large amount to the banks but its revenue on the 1932 basis is ample to carry interest payments and to make some reduction in the amount as well if business does not get worse.

Imperial Oil does a good domestic business all through Canada, and it also is in the business all the way from getting the crude out of the ground in Peru and Colombia, transportation to Canada and elsewhere, and the refining into gasoline, lubricating oil and all other oil products. It earned its 50c. dividend in 1931 and about 19c. a share besides. It is generally expected that its financial statement, when issued in a few months, will show this dividend to have been earned in 1932 as well. It is a matter of common knowledge, however, that 60 per cent of its 50c. dividend has usually been earned by Imperial Oil outside of Canada. Mainly it comes from its large holdings in International Petroleum which has huge tracts of crude oil territory in Colombia and Peru which are now at war.

The fact that only severe curtailment in the various oil producing states of the United States prevents an immense over-production of crude oil is the basic uncertainty in the oil business. This, no doubt, affects the prices of International Petroleum and Tropical Oil Company, its subsidiary, because world prices are based more or less on mid-continent quotations. The exact earnings of International Petroleum are not known because its revenue and financial position are incorporated with those of Imperial Oil. Those earnings, however, must have come down somewhat. Actual production is shown to have been only 2,000,000 barrels less than in 1931. Prices, however, were lower and so were expenses.

This is certainly a buyer's market. That is different from saying that it is a good market to buy in. It is a market where the buyer can get what apparently are, in many cases, good bargains, but it may not prove to be a good market to buy if business should get worse than people hope. There are all sorts of unrest in the world today, many very ticklish political situations, the actuality of war in the Orient and n South America and huge barriers are still erected against the freer flow of foreign trade. The time to buy in the past has generally proved to be the time when most people were afraid to do it, because of circumstances such as these. If, as time goes on, the various crises disappear as they have disappeared in the past, the bold buyer now reaps the benefits.

Montreal Power

We have a client seeking information on the 3 per cent debentures of Montreal Light, Heat and Power Cons. What security is offered by these debentures and how do they rank?

The $23,227,150 3 per cent convertible debentures of Montreal Power rank senior to the common stock, but are junior to $39,970,500 of 5 per cent first refunding and collateral trust bonds. Earnings in 1932 were sufficient to cover all charges and leave a net profit of $8,752,530 or the equivalent of $1.95 a share on the common stock. In 1931, common share earnings were $2.17; dividends have been maintained at the rate of $1.50 a share.

The company is the largest privately-owned urban utility company in Canada and its record of expansion and stability of operation places it in the lead among utility companies in the Dominion. In recent years it has steadily expanded by absorbing several small municipal systems until today it is in practical control of utility services on the Island of Montreal. Power sales in 1932 were slightly lower but number of customers served increased. In view of the company's records, the position of the debentures is satisfactory. It should be remembered that they are convertible into common stock at any time up to July 1, 1937.

Oil Refineries in Canada

Will you give me the names and addresses of oil refineries in the East that are not controlled by the Imperial Oil Ltd.?

Oil refineries in the East that are not controlled by Imperial Oil Limited include the following:

McColl-Frontenac, Montreal and Toronto.

British American Oil Refineries Limited, Toronto and Montreal.

Canadian Oil Refineries, Petrolia, Ontario.

Lubricating oil and grease plants would include the following:

The Jaffe Company, Montreal, Que.

Three-in-One Oil Company, Ville St. Pierre, Que.

Economic Products, Outremont, Que.

Union Products, Montreal, Que.

Ontario Lubricating Company, Hamilton, Ont.

Galena Signal Oil Co. of Canada, Toronto, Ont.

Peterson Core Oil & Mfg. Co. of Canada, Hamilton.

Campbell Grease and Oil Company, Toronto, Ont.

McManus and Howard, Winnipeg, Man.

Bell Telephone

Why is it that the shares of Bell Telephone Co. of Canada have tended to fluctuate so much in the past few months? I bought some a short time ago and have been worried over the stock's action.

Shares of Bell Telephone Co. of Canada are sensitive to the market trend and recent developments have tended to influence the action of the stock. In addition, dividends were recently cut for the second time to the present rate of $6 a share, while there might be a further reduction unless the company's business shows an improvement during the current year. Publication of its annual report showed no definite betterment in its financial position and borrowings from American Telephone and Telegraph had increased to $12,245,000. These are repayable in U. S. funds.

Massey-Harris

A client, well up in years, and in receipt of the average clergyman's superannuation, has some $5,000 holdings in cash and high-class securities but he is anxious to arrange his holdings in order to provide the best safety of principal and reasonable returns for his widow in case of his death. What should he do—sell or hold — about $1,500 United Grain Growers five per cent due 1948 and $2,000 Simpson Co. preferred six per cent shares?

Dividend on the 6 per cent preferred stock of the Robt. Simpson Company was only partly earned in 1932. The conditions which brought about the sad fall in revenue in 1932 are still obtaining and unless the company is able to make big cuts in the loss on its mail order business the position of the 6 per cent preferred must be considered vulnerable. An improvement in business would be of great advantage to the company especially if accompanied by a decided stop in the fall of prices. This and all other companies engaged in the same business have had considerable losses on inventories.

As to the United Grain Growers 5's due 1948 this is part of an authorized issue of $7,500,000 of first mortgage sinking fund bonds. There are outstanding $3,309,000 of series A 5 per cent due 1948 and $608,500 of series B 5½ per cent due 1949. Both have been reduced somewhat by operation of sinking fund. All interest on the bonds was earned last year 3.78 times before depreciation of $466,552 and 1.86 times after depreciation. Dividends as well were paid and earned on the common stock at the rate of $1.25 a share. Working capital at the end of the fiscal year, July 31, 1932, was strong and an equity of $2,439 was shown by the balance sheet behind every $1,000 bond. The company has earned its dividends since 1911 in most years and paid them in every year.

Acadia Apartments

I would like to take advantage of your service to enquire as to the position of Acadia Apartments. Can you tell me what the situation is in this company?

Acadia Apartments operates a 57-suite apartment house in Montreal. Capital structure comprises $850,000 of 6½ per cent first mortgage bonds, $150,000 of 7 per cent general mortgage bonds, $400,000 of preferred stock and $200,000 of common Interest due March 1 on the first mortgage bonds has not been paid and a letter is going forward to bondholders shortly. No details of plans for the future have been made public yet.

B. C. Power

Please be good enough to inform me why the A shares of B. C. Power Corp. are returning such a high yield? Is it possible that dividends will be reduced?

One reason for the high yield on the "A" shares of B.C. Power Corp. is the fact that the company is not earning its dividend. For the seven months ending January 31, 1933, net earnings showed a decline of 13 per cent, compared with the previous year, and it is possible that dividends will be reduced.

Dairy Corp.

Do you think Dairy Corporation will be able to come through the dairy troubles? I hold a few shares and it has looked like they were spread out pretty thin.

The bondholders have granted Dairy Corporation exemption from interest for one year and from sinking fund for a longer period. It is therefore evident that the position of the shares for some years to come will not be of interest to the financial world.

The company unfortunately did not complete its financing before the depression and has therefore found it increasingly difficult to meet its commitments made in connection with the taking over of a number of well-established dairy companies in different cities in Western Canada and in Montreal and Toronto.

The individual situations of the subsidiary companies in most instances are promising, but the success of Dairy Corporation in 1933 will be a rather trying test as to the future. If the various price wars which have been waged are not resumed and no new ones develop the company would have a better opportunity. The present milk price investigation is intended to see if the spread between producer and consumer can safely be lessened.

Dairy Products

Can you tell me anything about the Dairy Products of Tara, Ont.?

Dairy Products, with its headquarters at Tara, was formed to take over the business formerly operated by R. A. and Ian Stewart who continued respectively as president and secretary-treasurer of the new company. The stock is not listed anywhere and therefore those who hold it would have to look to the people who sold it to them for a market.

Capitalization in 1931 was stated to be 12,000 of 7 per cent preferred of $25 par value and 90,000 no par value of common shares. In August 1931, W. T. Milliken, of Toronto, was appointed director of sales and he offered the stock in units consisting of four shares of the 7 per cent cumulative preferred and twelve shares of no par value common at $100 a unit. As you know the company operates in Tara, Hagersville and Chesley.

Enquiries which we have made among the larger companies doing a similar business to that of Dairy Products would indicate that it is very difficult to make money in this business at present. There is no other check-up available as the company does not publish its financial statement and the stock is not listed.

Canadian Vickers

I have been advised to buy some bonds of Canadian Vickers Ltd. Can you tell me how the company did last year and if the bonds are a good investment?

Operations of Canadian Vickers during the past year have been on a restricted basis and earnings have declined. A factor of merit in regarding the bonds, however, is that the company receives an annual subsidy of $105,000 from the Dominion Government and this subsidy is pledged to the trustee for the bond issue. Interest requirements in 1931 were $158,513.

Debentures & Sec. Corp.

I hold $2,000 of 4 per cent Debentures & Securities Corp. which mature in 1936. What is the capital structure of this company? Will the bonds be retired at maturity? Is Mr. Osler still president of the company?

Debentures & Securities Corp. of Canada has outstanding 4 per cent debentures to the amount of $533,000, 3,329 shares of $100 par value preferred stock and 3,553 shares of $100 par value common stock. Ranking ahead of the 4 per cent debentures is a bank loan of some $100,000. It is our understanding that the market value of collateral securing the 4 per cent debentures is slightly over the par value of debentures outstanding.

It is impossible to say at this time whether the debentures will be retired at maturity, since this will depend upon the movement of prices of securities held. The present market for the debentures is 53, but we understand that the company might buy in debentures at slightly over this price. H. R. Jackman is secretary of the company, with office located at 15 King St. W., Toronto. H. Osler is still president of the company.

Lord Nelson Hotel

Please be good enough to tell me the situation surrounding the bonds of Lord Nelson Hotel Co. I understand the C. P. R. is interested in these bonds. Does it guarantee the principal?

When the Lord Nelson Hotel Co. was unable to earn its interest charges on its former issue of 6½ per cent bonds, the Canadian Pacific Railway made an arrangement with bondholders whereby they agreed to a reduction in interest rates to 4 per cent, providing that this interest was guaranteed by the railway. Bondholders waived sinking fund payments due November 1, 1931 and 1932, and the next sinking fund payment at the rate of 2 per cent of the bonds outstanding will be made on November 1, 1933. There is $600,000 of this issue outstanding. Bonds mature in 1947 and it is our understanding that Canadian Pacific Railway has not guaranteed payment of the principal.

Brazilian

A widow holds 250 shares "Brazilian," averaging $35 a share. Would you advise selling at market price or holding? They are hypothecated for $2,000 at the bank. Should she protect in hope of advance?

Common stock valuations of Brazilian Traction dropped from 10 early in 1933 to a low of 7¼ and are now just above 8. In other words, the 250 shares of Brazilian which would have brought $2,500 early in January would now bring about the $2,000 for which they have been hypothecated. The decline was probably because directors announced on January 26 that, after consideration of conditions existing at present, no dividend on the ordinary stock would be declared "at this time."

The directorate has been following the policy in recent years of paying stock dividends because, with the milreis dropping from 11 cents to somewhere around 6 cents, it was difficult to pay dividends on the old basis. Earnings have been reported to Canada in dollars and it is understood that in milreis the earnings have not declined to any great extent. It is difficult to find funds, however, to send dividends from Brazil.

It amounts to this that a speculation in Brazilian common stock is also a speculation in Brazil, its commercial and financial future and especially in the exchange value of its currency.

Brazil has had one revolution and two rebellions inside of two years, and although it is apparently making a valiant effort to balance its budget and to correct the coffee situation which has gotten more out of hand even than our western wheat situation, it will evidently take years before that country gets back to prosperous conditions. The country has a surplus amounting almost to 18 months' supply of coffee for the whole world, and it is only one though the chief supplier of the world. The company has adopted strenuous policies of burning coffee and encouraging planters to root up old trees, but as these have to be paid for it is a slow matter. Eventually a country of the immense resources of Brazil will have other periods of great prosperity, but much depends on the political and economic stability of the country in the next few years.

Dominion Gas

I would appreciate it very much if you would advise me what you think of Dominion Gas & Electric 6½'s due 1945. I am a United States subscriber.

In view of the fact that it operates in what should be an excellent territory for a gas company, has plenty of room for expansion, is earning more this year than it did last, the bonds seem to me to be attractive at present prices.

Since it is a Canadian company, you are naturally more familiar with the situation and so your valued opinion would be greatly appreciated.

Your view as to the situation of Dominion Gas and Electric accords with the reports sent out from month to month by that company. It has an excellent territory although—under present conditions with farm prices so low that farmers can purchase only the absolute necessities—it is very difficult for a company to realize all its possibilities in collections and in gaining new business.

You realize, of course, that Dominion Gas and Electric Company is controlled by American Commonwealth Power Corporation which is at present operating under receivership in the United States. You will realize as well that Dominion Gas and Electric Company has to pay interest not only on its $8,000,000 first lien and collateral 6½ per cent bonds due July 1, 1945, but also on the $3,000,000 6 per cent five year gold notes due July 1, 1933. These latter notes are owned by International Utilities Corporation which has also bought, we are informed, $3,200,000 of the $8,000,000 bonds as well.

Resources of Dominion Gas and Electric to meet the maturity of the $3,000,000 notes are not great and while the parent company, American Commonwealth, is under receivership, it is not likely that that company can, under present conditions, look after the maturity in July. On the other hand, it is understood that International Utilities would be glad to get back Dominion Gas and Electric and that if the $3,000,000 in notes are not paid it would move to that end.

The bonds which are being sold to you and others at present are understood to be from banks in the United States which are forcing the shelves of brokers and investment bankers whose accounts they want to see reduced. Most of these bonds have been bought by interests friendly to International Utilities and have moved out into the hands of investors.

Dominion Gas and Electric Company is a holding company for subsidiaries, engaged in producing and distributing electric power and light, natural gas and water to 115 communities in Alberta, Saskatchewan and British Columbia. It will be interesting for you to know the sources from which it draws the revenue to pay dividends on its bonds. It owns over 94 per cent of the common stock of Canadian Western Natural Gas, Light Heat and Power Company, over 95 per cent of the capital stock of Edmonton Utilities Limited, which owns all the voting stock of Northwestern Utilities Limited and Princeton Petroleum Company, all the common stock and $2,450,000 6½ per cent first mortgage bonds of Canadian Utilities Limited which distributes light and power to Grand Prairie, Vegreville and Raymond in Alberta and Kindersley, Rosetown, Prince Albert, Yorkton Indian Head and Lloydminster in Saskatchewan, all of the common stock and the entire issue of $500,000 6½ per cent first mortgage bonds of the Nanaimo Electric Light, Power and Heating Company, all of the capital stock and the entire issue of $950,000 6½ per cent first mortgage bonds of Union Power Company which serves Drumheller, Hanna and 31 other communities in Alberta; all the common stock and $100,000 6½ per cent first mortgage bonds of Duncan Utilities Limited, all of the capital stock of Gas Production and Transportation, Calgary, Alta., (an exploration and development company) and all of the stock of the Northwestern Fidelity Trust Company Limited.

The bonds of Dominion Gas and Electric are a direct obligation and are secured by a first lien upon the securities mentioned. Half of the total amount is secured by first mortgage bonds of subsidiaries as described.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Ventures

I have been thinking of speculating in Ventures Ltd. What do you think of its chances of paying a dividend from its array of investments and mining interests?

Ventures, Limited, is, as the name implies, a venture. It has many irons in the fire and is one of the most aggressive prospecting organizations in Canada. Although it has many interests throughout the Dominion, none of its companies has yet demonstrated any great importance, although two have paid an initial dividend — Falconbridge Nickel and Coniaurum. There is no indication that Ventures will pay a dividend. Instead instructions are it will use its income for exploration work and any advantage accruing to investors must come from success in this direction.

Teck-Hughes Gold Mines

Is Teck-Hughes Gold Mines earning its dividend and will it be able to sustain the present dividend rate this next year? What is the outlook for the company?

Teck-Hughes Gold Mines ended the most successful year in its history on August 31 last with earnings of 77 cents per share against dividend requirements of 60 cents per share. Present recovery, without exchange compensation hardly covers dividend requirements.

The problem that has concerned Teck-Hughes' shareholders is the persistence of ore at depth. During the latter part of 1931 it was learned that several lean horizons had been encountered that were far from being up to the mine's average in tonnage and grade. This precipitated an extensive development programme at depth that is now under way. This programme has met with some success, but has not confirmed the existence at depth of the massive ore bodies that have characterized the upper levels. The geological conditions remain favorable and conducive to deposition of ore bodies. Indications are that the company has sufficient ore for at least immediate requirements, but of a somewhat lower grade than treated in the past. The price of the shares and the yield given in comparison with other shares are reflecting this uncertainty in the company's future earnings. It enjoys excellent management, has an aggressive exploration policy and is currently prospecting two promising mining properties in the hope that they might perpetuate the company's existence as a mining enterprise after the present property is exhausted.

Noranda Mines

What do you think of Noranda Mines as an investment at current prices? Is the outlook for earnings attractive over a period of years and has it adequate ore reserves?

Noranda Mines at current prices is clearly discounting future earnings. On the basis of present dividends it is giving a yield of approximately six per cent, showing what the company is able to do in the face of lowest copper prices in history. The company enjoys excellent management and is well fortified with ore reserves for years to come. It recently completed plant extensions that should further increase its gold production and earnings. From the standpoint of security and ability to maintain earnings without an increase in copper, the company is in an excellent position owing to the high gold content of its ore. It is at the present time Canada's third largest producer of gold.

Canadian Securities
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ASBESTOS CORP. RECORDS DEFICIT ON OPERATIONS

Initial Report Since Reorganization Shows Many Changes

From Our Own Correspondent

MONTREAL—In its initial statement following upon a reorganization carried out a year ago Asbestos Corp. reports a loss on operations of $428,528 as compared with $150,342 a year ago.

Conditions in the asbestos industry last year were not conducive to favorable operating results. The company's King mill produced 14 per cent less fibre than in 1931, while the tonnage of rock milled dropped 1.76 per cent. Despite the low tonnage handled in 1932 the average cost per ton of rock milled was reduced by 14.35 per cent; per ton of fibre produced by 4.10 per cent; while the fibre recovery per ton of rock mined showed a decrease of 12.90 per cent.

Decline in Exports

The chief feature of marketing last year was the decline in exports. The decrease was particularly noticeable in shipments to Europe, where the depreciated currencies of many countries made the purchase of asbestos in Canadian dollars almost impossible. The seriousness of the situation made it possible to obtain co-operative action among the Canadian producers in stabilizing prices, though at low levels.

Particulars of the profit and loss accounts for the past year follow:

	1932 $	1931 $
Operating loss	428,528	150,342
Other earnings	31,865	39,789
	396,663	110,553
Under. bonds int.	48,053	48,884
§Gen. mort. int.	141,660	......
1st mort. int.	......	150,159
Gen. mort. int.	......	269,985
Debit	586,376	579,581
Depreciation	125,000	300,000
Net loss	711,376	879,581
Prev. bal.	*1,000,000	†767,224
P. & L. bal.	288,624	‡1,646,805

Note: § Paid by issue of 11,806 common shares of no par value.
* Attributed to surplus at reorganization.
† Deficit of prior years.
‡ Deficit.

Balance Sheet Changes

The balance sheet figures are not altogether comparable with those reported on December 1, 1931, nor with those shown in the reorganization plan dated January 31, 1932. The report, however, reflects the changes brought about by the reorganization.

Assets are now carried on the books at $5,726,491 compared with $17,281,321 at the close of 1931. Property account has been written down by roughly $10,000,000 to $4,495,366. Current assets amount to $1,052,308, of which some 60 per cent represented inventories.

Bank Loans Lower

Among current liabilities bank loans are shown at $450,000 as compared with $605,000 at the end of 1931. Accounts and bills payable show a slight increase at $232,057.

A sum of $111,413 is shown as owing to the trustees on account of sinking fund payments. Underlying bonds on properties in hands of the public amount to $742,379.

The funded debt of the company has been cut down from $6,500,000 to $2,361,000. Preferred stock of $7,456,400 has been wiped out, as also the 200,000 shares of no par value and replaced by 113,568 shares of new no par value common stock, of which 11,806 represent interest paid on the general mortgage bonds.

Manufacture Headlights in Montreal

Completion of contracts for the establishment of another new industry in Montreal, the Pyle National Company, is announced by the Industrial Department of Montreal Light, Heat and Power Consolidated. The Pyle National Company, which has its headquarters in Chicago, Illinois, manufactures headlights, small steam turbo generators and other electrical requirements for locomotives.

Pressure From United States Would Have Closed Winnipeg

From Our Own Correspondent

WINNIPEG. — When United States grain markets were forced to close early in March there was immediate pressure from Chicago and New York to bring about concurrent closing of the Winnipeg market. But any fears as to the willingness of the Winnipeg market to remain open were promptly dissipated, although the situation was found sufficiently uncomfortable by traders who had commitments in both markets.

At the beginning of the banking crisis in the United States, several weeks earlier, the clearing house in Winnipeg, by calling for additional margins, had taken special precautions against trouble, in case developments in the United States should force the closing out of any lines maintained in Winnipeg.

To close the market would have meant shutting down at once on the ability of farmers to sell grain to country elevators. Such farmers, under the stimulus of advancing prices, promptly increased their deliveries. Sale of this grain, together with that of a limited quantity of wheat held in store for farmers, seem to have resulted in total sales for the account of farmers to the extent of about eight million bushels of wheat during the past ten days.

ROLLING STOCK MAKERS SEEKING WORK FOR PLANTS

Many Wooden Cars Still in Use on Both Railroads

From Our Own Correspondent

MONTREAL—Car plants of railway equipment manufacturers mostly idle for over a year now, may yet secure some orders during the current year. It is said that one company has expressed a willingness to execute an order for rolling stock on a payment deferred basis; in other words it might carry the account into next year so long as it could gain an opportunity to get its plant into action.

A close observer anticipates there would be little difficulty in financing new rolling stock through the sale of equipment trust certificates despite the unsettled condition of the money market. To date neither the Canadian Pacific or the Canadian National Railways has made a definite move to enter the market for equipment.

Though it is natural that current desire for economy darkens the outlook for rolling stock companies, those in touch with the situation declare there is still need for additional steel cars. It has been estimated that some 70,000 old wooden freight cars are still on the tracks of both roads; most of these were built around 1910. The first steel car ordered in Canada was delivered in 1912, but the old wooden equipment has continued in partial use despite large purchases of steel cars in recent years.

When orders for rolling stock are finally placed, manufacturers expect a substantial volume. It is felt that when the railways have need to bring some of their present idle rolling stock into action effects of depreciation will be apparent; for it is recognized that idle equipment often depreciates faster than that which is in constant use.

Windsor Employment Better Than in Feb., 1932

Although the number of workers in industries in the Border Cities was 331 less in February than in the preceding month, the total of 11,688 employed by 155 firms was 259 higher than the corresponding figure for February a year ago.

The decrease from the previous month occurred in the automobile industries, that section reporting 353 less workers, while other industries having total employment of 5,090 recorded an increase of 22 from the previous month.

There were 35,463 indigents on relief in the Border Cities at the end of January, as compared with 33,810 at the end of the previous month. Total cost of relief for the month was $302,825 as compared with $350,361 in December.

B. C. PULP REPORTS OPERATING LOSS FOR PAST PERIOD

No Depreciation Provided — Interest Charges Cut This Year

From Our Own Correspondent

MONTREAL. — Operations of British Columbia Pulp and Paper Co., in 1932 resulted in a loss of $76,205 compared with a profit of $363,446 in the previous year. After payment of bond interest and taxes there was a deficit of $379,852 before depreciation, compared with a deficit of $200,788 after depreciation and preferred dividends in 1931. Deficit at profit and loss was increased to $522,200.

During the year arrangements were made with first mortgage bondholders to waive sinking fund due November 1, 1932, while general mortgage bondholders authorized postponement of interest payable in 1932 and 1933 until November 1934, interest to accrue at 7 per cent, and also authorized cancellation of sinking fund from 1932 to 1934.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Net earnings	*76,205	363,446
Less: Depreciation	......	200,000
Bond interest	303,389	310,123
Bonds w/d	......	22,000
Income tax	258	2,911
Net profit	*379,852	*171,588
Less: Pref. divds.	......	29,200
Surplus for year	*379,852	*200,788
Add: Prev. surp.	*142,348	58,440
Bal. forward	*522,200	*142,348

*Deficit.

Working Capital

	1932 $	1931 $
Current assets	958,397	1,234,785
Current liabs.	245,932	232,752
Working capital	712,465	1,002,033

Liquidate Bank Loan

Balance sheet shows cash down $32,000 to $49,534 and inventories down $179,000 at $532,769. Dominion Government guaranteed bonds are slightly higher at $246,375, accounts receivable are down $88,000 at $129,718.

In liabilities a former bank loan of $50,000 has been liquidated. Accounts and wages payable are up $81,000 at $212,722 and accrued bond interest at $33,210 reflects waiving of interest on the general mortgages. Postponement of sinking fund is also reflected in bonds outstanding which are unchanged from the previous year. A deferred liability of $120,992 has been set up representing interest on the general mortgage bonds payable November 1, 1934, U. S. exchange not provided for.

In his remarks to shareholders, Lawrence Killam, president of the company, stated that market conditions made necessary closing of all plants for more than four months. Plants at Port Alice and Woodfibre are now working at full capacity with reduced cost, he said.

NORTHWEST MUTUAL ISSUES '32 REPORT

Dividends Paid Total $256,000 — Loss Ratio Higher at 44 p.c.

A net earned loss ratio of 44.4 per cent on a gross premium income of $959,469, is reported by the Northwestern Mutual Fire Association in its annual report for 1932. Net premiums written in 1932 totalled $734,830 as compared with $960,712 in the previous year. Net earned loss ratio in 1931 was 39 per cent.

Underwriting expense was slightly lower, the ratio of expenses to net premiums earned being 28.4 per cent as compared with 31.8 per cent the previous year. The company reports payment of dividends to policyholders during the year of $255,619. This compares with a corresponding figure of $323,371 a year ago. Total dividends paid to Canadian policyholders since the company commenced business in this country have amounted to over $2,750,000.

Total assets in Canada now amount to $907,682 all of which are held exclusively for the use of Canadian policyholders.

Sun Life Assurance Co. Wins English Libel Suit

From Our Own Correspondent

MONTREAL.—Sun Life Assurance Co. of Canada was successful in its libel suit against the printers, publishers and editor of an English paper called the City Midweek which published material reprinted from the Journal of Commerce, a Canadian publication. In addition to awarding damages of £19,000, Lord Chief Justice Hewart granted a permanent injunction against publication by defendants of similar allegations.

The company which published the paper is now in liquidation and the editor declared bankrupt.

J. J. Harpell, of Gardenvale, P.Q., publisher of the Journal of Commerce, was convicted in Montreal on a charge of criminal libel brought by T. B. Macaulay, president of the Sun Life. The criminal complaint was also based on the Journal of Commerce articles. An appeal against the conviction is pending.

Winnipeg Electric Co. Seeks Charter Change

From Our Own Correspondent

WINNIPEG.—Negotiations between the Winnipeg city council and the Winnipeg Electric Company with reference to the claim of the latter for relief from taxation, paving and snow removal charges have failed to result in any closer approach to an understanding than formerly prevailed, and the company intends to push the bill it now has before the Manitoba legislature for legal amendment altering the provisions and obligations of its charter. The city council intends to continue opposition to the bill.

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1915	1,444,019.00	46,700.00
1920	3,292,848.00	77,582.00
1925	5,218,820.00	118,015.00
1931	8,383,861.89	130,284.37
1932	8,619,039.00	112,077.00

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This Week in Wheat

From Our Own Correspondent

Market Adjusts Itself

WINNIPEG—Declines in wheat prices at the beginning of this week brought market levels back to where they were before the financial situation in the United States came to a crisis. With developments during the past three weeks now washed out as significant factors of any permanence, the market now assumes the task of adjusting itself to actual conditions and prospects.

Export business from Canada has now been resumed, although at a comparatively small rate. Small export shipments of last week, approximately 3,000,000 bushels, reflected the interruption of export transaction from Canada that took place during the period when exchange markets were too uncertain to permit such business to be undertaken with any confidence, and prices in the immediate future are likely to be responsive to the actual extent of such business as is closed.

* * *

Orient Buying

WORLD shipments last week were nearly 5,000,000 bushels smaller than during the previous week, reflecting mainly smaller shipments from Australia. Stocks afloat dropped 3,000,000 bushels, and although the total still stands at the comparatively high figure of 60,000,000 bushels, this may be expected to decrease from now on.

Continuation of takings of wheat at a high rate by the Orient, along with a fair business in Argentine wheat to Brazil are among the encouraging features of the situation, offsetting to some extent the failure of demand from continental Europe to increase to any marked extent.

WINTER WHEAT WORLD ACREAGE DOWN FOUR P.C.

First Estimate Made For 19 Leading Producing Countries

About a million acres less has apparently been sown to winter wheat in the world this year than last. This is a reduction of about four per cent, according to the International Institute of Agriculture. This is the first estimate available, and is made from figures for a group of 19 countries which produced about 80 per cent of last year's crop.

It seems probable, on the basis of available information, that the 1933 winter wheat crops of the world may be reaped from eight to ten million acres less than in 1932. Crop damage is estimated to have reduced the effective acreage to this extent, in conjunction with the actual acreage reduction.

A heavy reduction of about 4.2 million acres in the area sown to winter wheat has been made in Russia. A decrease of 1.2 million acres has been made in the Punjab, due chiefly to inadequate rainfall during the sowing period. A reduction of only 500,000 acres has been made in the United States, despite agitation for decreased acreage.

The lower acreage sown in the United States is estimated to have been offset by an increase of about 500,000 acres sown in Europe.

State of U. S. Crop Poor

Crop conditions have been adverse in the United States, particularly in Oklahoma, western Kansas and Nebraska, due to dry weather. The Pacific Northwest has suffered damage from high winds. Cold weather has damaged crops in the south. Conditions in the east have been better.

Condition of the European winter wheat crop is reported promising. Sowing weather was satisfactory, and frost, accompanied by protective snows, halted growth and blanketed the ground in January.

In the U. S. S. R. crop condition was judged satisfactory in January, but snows increased later, and were accompanied with intense cold. It is now thought that the varying depth of the snow may not afford sufficient protection to the crop in some districts.

The acreage sown to winter wheat in the group of countries which produced 80 per cent of last year's crop, and the percentage change in acreages from 1932, are shown below:

Percentage Change and Areas Sown to Winter Wheat in Leading Producing Countries

Country	Acreage Sown 000's	Change in Acreage Sown %
Germany	4,947	+ 1.3
Bulgaria	2,911	— 4.8
Spain	11,057	— 2.2
Finland	34	+ 6.0
France	12,864	— 0.2
Greece	1,679	+ 12.2
Italy	12,365	+ 2.4
Latvia	182	+ 5.0
Lithuania	389	— 7.4
Roumania	6,084	+ 3.3
Czechoslov.	2,151	+ 7.7
U.S.S.R.	28,058	— 13.2
Canada	556	— 2.1
U. S. A.	39,902	— 1.3
Brit. India	31,829	— 3.8
Cyrenaica	13	+134.0
Egypt	1,467	— 16.7
Fr. Morocco	2,817	+ 15.0
Tunis	1,606	— 23.5
Change in total		— 4.0

Grain and Milling in Canada

CANADIAN WHEAT EXPECTED TO HOLD LEAD IN MARKETS

Revised Consumption Estimates Leave Canada Still Favored

U. K. STOCKS SMALL

Steady Demand in Great Britain For Canadian Wheat Expected to Continue

Exports of wheat from Canada during the remainder of the present crop year should be in substantially higher proportion than for the same period of the 1931-32 year, judging from the revised estimates of Broomhall and the Food Research Institute. Canada's visible surplus for export and carryover at March 1, 1933, was about 250 million bushels, compared with 208 million bushels a year previous. With probable steady demand in the United Kingdom, and smaller exports from Russia and the Danube area, it is probable that Canada will continue to greatly improve her export position, according to the Dominion Bureau of Statistics.

At March 12, 399 million bushels of wheat had been exported by the world. Since Broomhall's revised estimate of world consumption is 664 million bushels, this would leave 265 million bushels to be shipped before July 31. It is estimated that a total of 123 million bushels of this will be shipped by Russia, the Danube area, Australia and Argentina. This would leave 142 million bushels to be supplied by other countries, chiefly Canada and the United States.

Canada's Available Supplies

Since the United States cannot be expected to supply any major portion of the 142 million bushels still to be shipped, Canada will probably get the most of this business. Canada's surplus available for export and carryover at March 12, 1933, may be estimated at 247 million bushels. If the carryover amounts to as much as last year, namely, 130 million bushels, there were only about 117 million bushels still available for export in Canada at March 12. There appears to be a distinct possibility of selling most, if not all, of this Canadian wheat before July 31.

It is anticipated that Canada, Argentina and Australia will continue to dominate the selling side of world markets chiefly because of Russian and Danubian crop shortages. The United States has also become an almost negligible factor as a seller because of prices, tariffs and adverse exchange. The balance which remained to be sold, between March 13 and July 31, by Russia and the Danube is estimated at five million bushels; by Australia, 49 million, and by Argentina, 69 million.

Canadian Shipments Heavy

Of the total world shipments of 399 million bushels to March 12, Canada shipped 156 million, of which 137 million were cleared from Canadian ports. Canada supplied 66 million bushels of the 112 million bushels imported by the United Kingdom between August and February. This is thought to indicate that British millers are using an unusually large proportion of Canadian wheat. Last year Great Britain imported 140 million bushels in the same period.

Practically all European countries are expected to take less wheat this year than last due to much larger domestic crops. The largest reductions will probably occur in France, Germany, Great Britain and perhaps Scandinavia. Ex-European countries are also expected to take less wheat because of larger domestic crops, import restrictions, or reduced purchasing power.

Stocks Small in U. K.

Stocks of imported wheat and flour remain at a very low level in the United Kingdom. On March 1, 1933, stocks amounted to 6,400,000 bu. as compared with stocks of 17,160,000 bu. on the same date in 1932. On the same date in 1931 and 1930, stocks of wheat and flour aggregated 13 million bushels. The small stocks of wheat and flour in the United Kingdom at the present time explain part of the decrease in imports during the present crop year as compared with the same period in 1931-32. In addition, 1932 wheat production in the United Kingdom is estimated at 43,493,000 bu. as compared with 37,679,000 bu. in 1931, or an increase of about six million bushels.

Canada is expected to continue its domination of the British market during the remainder of the present crop year. The continued domination of Canadian wheat sales in the United Kingdom during February is shown in the following table:

Imports of Wheat Into the United Kingdom in February

From:	1932 bus.	1933 bus.
Canada	5,255,538	7,505,302
U. S. A.	154,500	9,344
Argentine	5,801,536	3,877,206
Australia	3,765,606	2,240,875
Russia	451,905	467
Others	437,802	586,133
Total	15,866,888	14,219,327

Commodity Market Merger Effected in United States

Commodity Exchange, Inc., has made arrangements to set up its operating and trading quarters in the International Telephone Building, at Broad and South William Sts., New York. The exchange is an amalgamation of the Rubber Exchange of New York, National Raw Silk Exchange, New York Hide Exchange and National Metal Exchange.

Trading in rubber, silk, hides, silver and copper futures will continue on the new exchange as was previously the case on the various merging exchanges. Each of the four markets will have control over execution of contracts in its own commodity, and will have control of membership in that commodity.

Canada's Strong Position Emphasized By Crisis

Liverpool Wheat Sentiment Stronger as Financial Troubles Disappear in United States

From Our Own Correspondent

WINNIPEG.—Since March 4 the Winnipeg wheat market has been so much under the influence of forces released by the banking situation in the United States, and the temporary closing of markets there, that the fact that it was getting out of line with Liverpool had for a time but little effect.

Liverpool and Winnipeg are likely now to be pulled into closer adjustment with each other, but it is to be remembered that Liverpool is sensitive to developments on this side of the Atlantic, as well as Winnipeg is to developments there. Chicago will continue to influence Winnipeg, but to a considerable extent probably only as it can influence Liverpool.

U. S. Situation Bullish

One bullish influence of a more or less permanent nature appears to have been released by recent developments, the apparent stabilization of the banking situation in the United States. In effect, that has lifted the ceiling of possible prices in other countries, by indicating an ability in the United States to continue to sustain prices there above world levels, and to carry the surplus crop of old-crop wheat there without attempting to force it into export channels.

Events of recent weeks also indicated a flour shortage in the United States, with commercial stocks of flour at such low levels as to require an increase in the rate of milling, a fact which makes the wheat carryover apparently less burdensome. In addition there is the fact that the importance of the Farm Board in the market has been reduced to small proportions.

Upward Trends Checked

While Liverpool, following the U. S. banking crisis, at first showed an inclination to be affected by developments on this side of the Atlantic, upward tendencies were quickly checked by the fact that both Australia and the Argentine continued to push their marketing of wheat, with little inclination to ask higher prices because of any occurrences in North America. This resulted in Argentine wheat being quoted in Liverpool at 14 cents a bushel under No. 1 Northern, and Australian wheat at 7 cents under, the spread in each case being about 5 cents a bushel more than was likely to be sustained for any great length of time.

Australia has some inclination toward buoyancy of values, being encouraged by the very rapid rate at which the Orient has been buying her wheat, but there is no such spirit in the Argentine, where discouragement as to wheat values is prevalent, both on account of the British duty against Argentine wheat, and on account of the rather poor milling quality of the crop now being marketed.

Liverpool Outlook Firmer

Market comments from Liverpool have seemed to indicate a sentiment toward higher prices, which might have become effective except for pressure from the Southern Hemisphere. With the relaxing of that pressure, and with conditions in the United States now directing attention rather to the short crop of wheat in prospect than to the banking situation, there is a possibility of Liverpool showing a firmer tone.

Up until recently traders there and on the Continent have been sceptical as to the ability of the United States to continue withholding her surplus wheat from world markets, and every market commentator has included United States wheat in the total of available supplies, as if it might be called upon at any time.

Now it is just beginning to be realized that the United States may continue for a long time to be locked up by a comparatively high level of domestic prices. That means, in effect, that once the Argentine and Australia have completed their emergency marketing, it is Canada alone which must be looked to for the greater part of the world's needs before another crop is harvested.

BUFFALO HIT BY REVISED SHIPPING LAW

New Amendment Would Prevent Transshipment at U. S. Port

From Our Own Correspondent

OTTAWA.—The revised Canada Shipping Act, now before the Senate, strikes a second blow at Buffalo as a key point in the export movement of Canadian wheat.

A brief and inocuous-looking phrase in the interpretive clauses of the legislation will effectively put an end to the transshipment of Canadian wheat at Buffalo. This has been a large and profitable trade to United States lakes and canal carriers and a strong agitation for the stopping of it has been carried on by Canadian lake shippers for many years. In fact, a somewhat similar amendment was introduced in Parliament by Hon. Alfred Duranleau, Minister of Marine, last year. This amendment encountered such determined opposition from Western Conservatives, that it was not proceeded with.

New Clause Explained

The grain transshipment movement at Buffalo consists of the following: United States vessels take wheat from the head of the lakes to Buffalo where it is transshiped into smaller ships and carried on to Montreal.

Under the old Canada Shipping Act, as the new, the coastal trade of Canada is restricted to Canadian ships. The old act defined the coastal trade as follows:

"The coastal trade of Canada includes the carriage by water of goods or passengers from one port or place in Canada to another port or place in Canada."

That is, the old law made it impossible for an American ship to carry cargo direct from one Canadian port to another. The transshipment of grain at Buffalo was permitted, however, because the authorities ruled that this movement consisted of two separate voyages — the first from a Canadian port to Buffalo; the second from Buffalo to Montreal. The Canadian lake shippers contended that the entire movement should be classed as a single direct voyage, but their representations always were ignored.

Coastal Law Redefined

The revised shipping act, now before Parliament, strikes at the Buffalo transshipment trade by adding a phrase to the definition of the coasting trade. The new definition reads:

"The coastal trade of Canada means transportation by water or by land and water of goods or passengers from one place in Canada to the same place or another place in Canada, whether or not such transportation is direct or via a foreign port outside of Canada and includes any part of such transportation."

The Senate has sent this bill to its Banking and Commerce Committee and this committee has postponed consideration of the measure until such time as the various interests concerned will have time either to arrange to come to Ottawa to make representations, or to prepare and forward memoranda. The Winnipeg Grain Exchange already has gone on record vigorously opposing the closing of Buffalo, and the exchange probably will send a delegation to Ottawa to protest against this phase of the bill.

MANITOBA POOL DENIES SELLING ELEVATOR LINE

Rumor That U. S. Interests Were Negotiating for Purchase

From Our Own Correspondent

WINNIPEG.—Paul Bredt, president of Manitoba Pool Elevators has issued a statement denying reports that appeared in local daily newspapers to the effect that grain interests in the United States had opened negotiations with that company for the purchase of its line of country elevators.

The Government of Manitoba has a mortgage claim on such elevators to the extent of $1,900,000. Having written down its original claim arising out of wheat pool guarantees by approximately $1,300,000 and the elevators are being operated for the account of local associations on the theory that these will be able to pay for the claims against their respective elevators during a period of twenty years.

Manitoba Receptive?

The report is understood to have been based on some enquiries from quarters where it was supposed that the financial strain on the Manitoba Government at present would make them receptive to an offer which would result in the prompt liquidation of their claim. In addition although no general statement has been made public it is known that a number of these elevator associations have not been doing well enough to take care of their obligations, although the organization hopes to overcome this by a new agreement recently made by these associations by which their earnings during a period of five years are to be pooled.

Mr. Bredt's statement declares that neither the pool elevator company nor the provincial government would have the right to negotiate for the sale of these elevators, in the absence of consent by the local associations.

Winnipeg Grain Prices

Week to March 21

Crop year from Aug. 1, 1932 High	Low		Open Mar. 15	High for week	Low for week	Close Mar. 21
		Wheat				
.67⅞	.40½	May	.50⅞	.55	.49⅝	.49⅞
.56¼	.41¾	July	.52¼	.56¼	.50¾	.50⅞
.57⅞	.46⅞	October	.54	.57⅞	.52½	.52⅝
		Oats				
.29½	.21⅛	May	.26⅜	.27⅜	.24⅞	.24⅞
.26⅜	.21½	July	.25⅝	.26⅜	.24½	.24½
.25¾	.21⅞	October	.24½	.25¾	.24¼	.24¼
		Barley				
.38½	.26⅛	May	.30⅝	.32½	.29¾	.30
.35¾	.26	July	.30¾	.32¾	.30⅛	.30¼
.32⅞	.27¼	October	.30	.32⅞	.30	.30⅝
		Flax				
.94	.71¼	May	.80¼	.85	.79¾	.80¼
.85½	.71⅝	July	.81	.85½	.80⅞	.81¼
.88	.76	October	.83	.88	.83	.83¼
		Rye				
.42⅞	.30¼	May	.35¾	.39	.34¾	.34¾
.39⅞	.31	July	.36½	.39⅝	.35¾	.35¾
.41⅝	.34	October	.38	.41⅝	.37½	.37½

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Trust and Loan Companies in Canada

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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TRUST COMPANY FUNCTIONS ARE WIDELY VARIED

Get 56 p.c. of Revenue From Commissions and Fees

BUSINESS GROWS

Experience Covers Wide Range; Estates Handled Economically; Trusteeships Important

While Canadian trust companies have done an increasing business in accepting funds on deposit, their chief function remains the administration of estates, trusts and agencies and the larger proportion of the income of these companies is derived from commissions received for this administration. In Ontario, the trust companies receive about 56 per cent of their total income from agency fees and commissions while only 15 per cent is received as profit on the handling of guaranteed funds. Other revenues largely represent the return on the investment of capital funds.

The fees that a trust company can collect are fixed by the court and depend upon the amount of work involved in the administration of estates and trusts in its care. Revenue from this source is fairly stable although with shrinkage in the size of estates handled due to depreciation of security values and the smaller amount of transfer business as well as other factors revenue from this source tends to decrease to some extent in periods of economic depression.

Duties Are Varied

The duties of a trust company are varied to a great degree and the larger and older established companies have built up strong departments under experienced heads to handle the various types of business. As a result of this specialization there is an increasing public confidence in trust companies which has resulted, and will continue to result in, increased business of a stable character.

Modern trust companies have departments to handle estates, corporation trusteeships and other responsibilities which can best be handled by an incorporated company which can be expected to continue business over a long period of years. Management of real estate and mortgage investments, of receiverships and bankruptcy proceedings, stock transfer business and safety deposit vaults all come under specialized departments in the modern trust company. While the separate departments are distinct entities, there is a correlation between them that permits a complete and unified service to the public.

Charges Fixed by Court

The charges for such services by the trust companies are no greater than when similar duties are performed by an individual and the cost may be lower. Since remuneration allowed a trust company is fixed by the court there is uniformity in the charges made for similar services but because of experienced management, the cost of administrating estates may be reduced and savings effected. Trust companies are seeking to make their administration of an estate as personal as possible and experienced estates officers who specialize in the administration of estates have been an important factor in building up this type of business.

Provinces Reap Whirlwind Through Their Excursions Into Farm Lending Fields

Cannot Collect on Large Part of Loans Thus Made

ARE HEAVY LOSERS

Saskatchewan and Manitoba Plans Miscarry—Ontario Loans Increasing—Dom. Arrears Large

Provincial Governments throughout Canada are now having most difficult times with their farm lending boards. Warnings at the time that each enterprise was undertaken that government operation of lending agencies was wrong in principle and would in the ultimate analysis be harmful both to farm borrowers and to taxpayers generally, are being proved to the hilt by the facts. The depression simply accelerated the inevitable.

In view of the strong political pressure brought to bear on governments to form such farm lending boards in the first place in order to give loans at low rates, no attention was paid to the claims of trust and loan and insurance companies that the rates which they had been charging were competitive and at the same time included an allowance suggested by the experience of losses over decades. They were interested parties and their representations were not listened to. As a consequence in each province where government operations began, the big lending organizations commenced quietly to withdraw, knowing that they could not compete against a government which could tax away all losses and which could therefore offer money at uneconomic rates.

Financed Too Much Expansion

One result of this cheap money made available to farmers was that in rich districts, farmers with already prosperous farms began to extend their acreage materially, borrowing heavily in order to do so. It is found that some of the highest loads of debt are carried by good farmers who were anxious to extend their properties and to do farming on a continually enlarging basis. As this sort of thing was going on elsewhere in the world the growing competition thus financed on the wheat markets of the world soon produced awkward surpluses of wheat and wheat prices dropped away to the lowest point in history. Thus the very efforts to help the farmer aided in making it easier for competition of a ruinous nature to develop.

One year ago it was pointed out in the Trust and Loan Number that already two large scale government plans, one in Saskatchewan and one in Manitoba, were glaring failures, and that two other state bodies were lending money to farmers under conditions as to interest rates and assets security which could not be safely followed by private lenders.

Wipe Off Arrears

Premier J. M. Anderson of Saskatchewan, on January 4, 1933, in Regina, Sask., stated that the government had adopted a policy whereby every farm loan borrower would start on the first of 1933 without being in default to the extent of one cent in so far as his indebtedness to the board was concerned. The legislature is now being asked to cancel all interest charged on loans as between November 1, 1931, and November 1, 1932, to credit on principal all payments made by mortgagors in respect of interest charged as between November 1, 1931 and November 1, 1932, and to amortize all arrears of interest prior to November 1, 1931, being payable over a period of five years, with interest chargeable on arrears thus amortized at 5 per cent, the first payment to be due November 1, 1933.

It was also decided to amortize other charges and arrears of principal as of November 1, 1932, over a period of ten years, the first payment to be due November 1, 1933, with interest chargeable on the amount amortized in this way of 6½ per cent, the rate now fixed by legislation. It is also decided that if the price of wheat is still low in the fall of 1933 consideration may be given to pegging prices for interest payments.

Federal Plan in Arrears

The Federal Farm Loan Board by a paper tabled in parliament in November, 1932, showed a paper profit on operation for the year ended March 31, 1932, of $271,323. This was accomplished by counting as revenue all interest earned, whether paid or not, and by taking advantage of freedom of interest on the original contribution of $5,000,000 put up by the Dominion treasury. If 5 per cent had been charged on that original $5,000,000 and only interest paid had been counted, it is believed that the government would have shown itself very much in the red for that year. Though but running three years there were already arrears of interest of $147,018.

Ontario Steps Out

Ontario Agricultural Development Board is the largest institution lending money to farmers at present in the Dominion. Its report for the fiscal year ended October 31, 1932, shows that the loaning activity in the farm field has been greater than ever in the year ended October 31, 1932. Although all other lending organizations had almost stopped their activities in the farm field because of low prices which made such lending extremely hazardous, the Ontario Farm Lending Board was more active than ever. It had the advantage that it draws moneys from deposits in the Ontario Savings Bank which pay a low rate of interest and it still can pass these out at a comparatively low interest rate to farmers.

This low interest rate has been continued even though the statements of the company show the business to be very hazardous. In the balance sheet for the year ended October 31, 1932, the interest accrued to date on loans secured by mortgage of $42,152,965 was shown at $3,318,056. Deducting from this the total income from all sources of $2,218,656, it is apparent that there is more than $1,000,000 in arrears, an amount equal to interest arrears of six months on all the mortgages in Ontario held by the company. It is an increase of $700,000 arrears in the year, and it has probably been growing since that time. The situation is shown by the Farm Development Board in a graphic way in the following table which shows an increase very alarming indeed to the taxpayer in the number of loans paid out from year to year:

Year	Number of Applications Passed	Amount of Loans Passed	Value of Security	Number of Loans Paid Out	Amount
1922	458	$2,040,605	$4,693,403	334	$1,188,000
1923	953	3,729,350	8,685,166	776	3,000,000
1924	990	3,582,150	7,871,026	819	3,200,000
1925	892	3,216,680	7,197,300	701	2,700,000
1926	1,119	4,028,300	9,089,008	831	3,200,000
1927	1,275	5,043,995	11,298,263	1,001	4,100,000
1928	1,567	5,670,025	13,903,576	1,132	5,000,000
1929	1,757	6,803,393	14,797,660	1,397	5,000,000
1930	2,764	8,969,225	20,293,918	1,887	7,000,000
1931	3,361	9,701,420	21,913,130	2,329	7,900,000
1932	4,157	10,861,975	25,296,724	2,647	8,500,000
		$63,677,118	$145,039,176	13,854	$51,588,000

Individual Loans Smaller

In the report to Hon. T. L. Kennedy, Ontario Minister of Agriculture, the chairman, W. Bert Roadhouse, states that the board dealt with 5,035 formal applications, that 4,157 loans were granted and 878 loans declined. He states that in all loans granted the amount was not the full amount asked for and that as a consequence loans were not completed in some cases. In spite of that care there was an increase of $600,000 in the amount paid out over the previous year. The size of the individual loan, he states, is decreasing. The decrease was about 10 per cent as compared to the previous year and about one third as compared to four years ago.

Mr. Roadhouse stated also that one half of the loans outstanding had been made in the last three years on a gradual but substantial decline of valuation. Loans made in earlier years were naturally on the basis of the higher values prevailing at the time. He states that these are now not only the lesser part of the totals outstand-

(Continued on page 15)

Rates of Interest Were Higher in 1932

The average rate of interest paid by Canadian loan companies on debentures and deposits was higher in 1932 than in 1931, although interest rates were reduced on debentures sold in the latter part of the year. Huron & Erie Mortgage Corp., as an example, paid an average rate of over 5 per cent on currency debentures, 4.985 per cent on sterling debentures and 3.376 per cent on deposits.

Rates of interest paid by the loan and trust companies vary with the demand for money and the return to be secured from high grade bonds, but are usually slightly higher than the return that can be secured by buying Dominion of Canada or high grade provincial bonds.

STRESSES PLACE SMALL INVESTOR HOLDS IN NATION

W. G. Watson Says Legislators Should Regard Rights of Creditors

TAXES A BURDEN

Financial Companies Act Merely as Trustees for Public Funds—Have Good Record

The first requisite of our financial system is that our people shall save and the thrift of Canadian citizens is evidenced by the remarkable growth of Canada's financial institutions, according to W. G. Watson, president of the Dominion Mortgage & Investments Association, in speaking before the annual meeting of the association held recently in Toronto. Member companies of the association have total assets of $3,423,002,493. In the association are 22 life insurance companies, 16 loan and 13 trust companies.

Mr. Watson stressed the fact that the real ownership of the assets under the administration of member companies represents a portion at least of the combined savings of one third of the population of Canada, either as policyholders, owners of loan company debentures or guaranteed certificates of trust companies or as depositors or beneficial owners under trust deeds or wills or those for whom the trust companies act as agents. Twelve life insurance companies have 2,821,876 policyholders with an average equity of $478 in the assets of these companies. A total of 151,416 depositors in 13 member trust companies and 11 loan companies each have an equity of less than $400.

Creditors Have Rights

Mr. Watson pointed out that while life insurance companies, trust and loan companies were creditors in a large way to borrowers on mortgage security and to governments and municipalities whose bonds they hold these companies are also debtors in a very direct way to a large percentage of the Canadian public whose savings are received for investment.

"This is a fact which some of our legislators in recent years have been disposed to overlook in their consideration of the interests of borrowers on mortgage account, forgetting that in reality there are more lenders than borrowers and that the money loaned for the most part represents the hard-earned savings of the people. This money is only made available to borrowers on mortgage account through the medium of the lending institutions who gather it from many sources and in most cases, as I have pointed out, in small amounts.

"The lending companies in Canada have a creditable record in their relationship with borrowers on mortgage account on either farm or urban properties in Western Canada as also in the East. They are clients of ours and we are interested in their welfare, a statement which, I am sure, 99 per cent of our borrowers will confirm. The variation in interest rates in different parts of Canada is based purely upon the cost of administration, including the percentage of loss discovered by experience in the several provinces.

"One cannot overstate the importance at this time of borrowers as well as lenders—to governments and municipalities who are looking for the prompt payment of taxes, and in the general interests of the whole community, that the reasonable rights of mortgagees should not be interfered with by legislation enacted to meet the demands of a limited few made vocal by those who frequently do not appreciate the real significance of such actions"

EXPERIENCE OF MTGE. LENDERS NEARS CENTURY

Building Societies of Upper Canada Were Predecessors

GOT BRITISH CAPITAL

Lessons Learned in Previous Depressions Have Strengthened Legislation and Methods

The development of the Canadian loan companies, covering a period of some 90 years, goes back to 1845 when building and savings societies were incorporated to enable the early settlers of Upper Canada to pool their resources to mutual advantage. The growth of these small mutual societies into the strong mortgage lending institutions operating in Canada today is one of the romances of the long history of banking.

The loan companies of Canada have preserved their main function under widely varying circumstances and have learned from experience the lessons taught by numerous periods of depression. Methods and organization have been changed to meet new conditions and legislation, particularly in Ontario, and have been developed along sane and conservative lines. As a result, loan companies have a record that is largely free from failures that have caused loss to depositors.

Original Building Societies

The building societies of Upper Canada were an outgrowth of the terminable building societies operating in England in the 1830's. The Lambton Loan & Investment Co., of Sarnia, one of the oldest of Canadian mortgage companies was started by Robert Skilbeck who settled in Canada after having experience as an officer in one of the terminable building societies operating in England. There were no banks in Port Sarnia at the time, the general store was a two-story log building and trade was carried on by barter and exchange since money was scarce. The butcher, the baker and the candle-stick maker borrowed from each other to meet their obligations and Skilbeck suggested the formation of a syndicate whose members would deposit their surplus money with him so that loans could be made to the highest bidder.

Beginning business in 1844, this syndicate also accepted deposits from the general public and in 1846, the first building society act was passed by the Parliament of the United Provinces of Upper and Lower Canada. Shortly following the Port Sarnia Building Society was formed in 1847 and was reorganized in 1855 as the Lambton Permanent Building & Investment Society and in 1881 the name of the company was changed to Lambton Loan & Investment Co. This is typical of the experience of many of the early building societies, although many expanded by acquiring other companies.

Members Bid For Loans

The original purpose of the building societies was to raise a fund by small periodical subscriptions which would enable members of the society to acquire property and build homes. Shares in the society were fixed at a specific amount not exceeding £100 and these were to be paid for by members in monthly payments. Members of the society met monthly to pay their installments and to arrange for the lending out of the money which could only be loaned to members. Members might borrow up to the amount of their interest in the society. The right to borrow was by ballot in some societies, in other societies by rotation while others loaned money at auction and members competed for the right to borrow from the society. The early societies were all terminating and were intended to be closed out when all shares of the members were paid up.

Many of the Canadian loan companies now have sterling debentures and debenture stocks outstanding although the volume has tended to diminsh in recent years. In the past two years most loan companies have not issued new sterling debentures although in many cases where debentures matured, re-investment has been permitted.

As presently constituted, Canadian mortgage loan companies have a fixed and permanent capital stock. They are closely restricted by provincial or federal legislation and are permitted to accept deposits which are subject to withdrawal by cheque usually paying interest at a rate usually higher by one per cent than that paid by the Canadian chartered banks. They issue debentures payable after a fixed period of time, usually one to ten years, but such borrowing may not exceed four times the total of paid-up capital and reserve except under special Government permission. Investment of these funds is restricted by legislation to mortgages on real estate, Canadian Government, provincial and municipal bonds and in the stock and bonds of other corporations providing the corporation securities are trustee investments.

MARKET VALUES LOAN CO. STOCKS WELL OVER PAR

Decline From Highs of 1929 to Lows of 1932 Only 41 p.c.

HIGHLY STABLE

Have Resisted Trend of General Security Values Better Than Any Other Group

Shares of trust and loan companies tend to fluctuate in value to a lesser degree than do the shares of other Canadian companies. While there has been an average spread of approximately 41 per cent between the highest sales in 1929 and the lowest values of 1932 the decline in value has not been spectacular and no excessive amount of stock has changed hands. As a rule, the stocks of Canadian trust and loan companies are closely held as a conservative investment.

Most Canadian trust and loan companies have a comparatively small capitalization and over a period of years have built up substantial capital reserves. Management in most cases is conservative and assets are valued on a conservative basis. As a result there is an appreciation in the asset value of trust and loan company shares over a period of years, which in many cases is very substantial and accounts for the majority of listed trust and loan company shares are still selling well over par value.

Following the conservative practices of the past a number of the trust and loan companies have reduced their dividend rate in the past year and others can be expected to follow suit in 1933. This will have the effect of reducing market quotations of these shares in some degree. The majority of the older companies have paid dividends regularly over a long period of years. No other group of Canadian companies has such a sustained record of regular dividend payments interspersed with bonuses, increases and stock dividends.

The shares of comparatively few companies in this group are listed on Canadian stock exchanges. The record of those companies who have listed their shares is as follows:

	Par Value	Divd. Rate	*1933 High	*1933 Low	1932 High	1932 Low	1931 High	1931 Low	1930 High	1930 Low	1929 High	1929 Low
Canada Permanent	100	10%	153	130	186	135	216	190	230	206	243	219
Central Canada Loan	100	8%	No sales		No sales		301	290	330	285	410	310
Huron & Erie Mtge.												
fully paid	100	7%	102	80	108	93	150	143	150	148	152	170
20% paid			18	14	18	17	29¼	28	31	29	32⅝	29
Landed Banking	100	6%	80	80	No sales		140	140	190	180	203½	190
Montreal Loan	25	12%	No sales		48	40	49½	48	50	48	51	48
National Trust	100	10%	212	200	255	175	350	250	380	340	390	340
Ontario Loan	50	12%	105	105	107	94½	119	113	130	118	128	128
Real Estate Loan	100	7%	95	85	105	...	110	105	112	110	115	112
Toronto General Trusts	100	8%	167	160	210	125	235	210	255	220	285	240
Toronto Mortgage	50	12%	98½	90	108	85	115	108	125	108	126	120
Union Trust	100	....	No sales		100	85	101½	98	130	122	140	120

* To March 18.

Trust and Loan Companies Maintain Strong Position Despite Difficult Times

Liquidity of Assets is Improved and Additional Reserves Are Established; Trend is Toward Reduction in Dividend Rates; Deposits Show Some Increase

Earnings of trust and loan companies as a whole showed marked stability in 1932 although naturally there was some decline due to prevailing conditions which have led to legislation adverse to mortgage lenders in several of the provinces, particularly in the West. Companies which have a substantial part of their assets invested in Western mortgages have shown the sharpest declines in earnings but with the exception of a few of the smaller Western companies whose investments are entirely in Western Canada the trust and loan companies have held their position remarkably well and a number, particularly in the East, are able to show a gain in earnings.

There has been an increasing tendency to set up reserves or increase reserves to provide for possible depreciation in value of investments and it is here that the older established companies who have built up large reserves over a long period of years have the advantage on companies whose business has been largely built up in the last decade. There was practically no lending on mortgage securities during 1932 and funds available for investment have been placed in liquid securities. This is indicated by the fact that 32 loan and trust companies in Ontario had liquid securities amounting to 60.7 per cent of demand deposit liabilities at the end of 1932 as compared with the ratio of 57.63 per cent at the end of 1931.

Liquid assets are defined as cash, Dominion or Provincial bonds or bonds guaranteed by the borrower, Ontario municipal debentures and demand loans on which securities of the aforementioned types have been given as collateral. In Ontario, the trust and loan department states that trust and loan companies should have liquid assets on hand to the extent of 40 per cent of demand deposits.

Loan Company Assets

The average loan company in Ontario has some 77 per cent of its assets invested in mortgages on real estate. Slightly over one third of mortgage investments are in the four Western provinces and almost two thirds are in Eastern Canada, Dominion of Canada, provincial and United Kingdom bonds and bonds guaranteed by these borrowers account for some 3.7 per cent of total assets of loan companies while Canadian municipal bonds amounted to 1.87 per cent in 1931, other bonds including corporation securities, 3.83 per cent, and stocks 3.82 per cent. Cash was 2.72 per cent, office premises 3.38 per cent, and real estate held for sale 0.5 per cent. Of total liabilities, 73,16 per cent were owed to the public at the end of 1931 and 26.84 per cent represented capital.

While loan companies have a large proportion of their assets in mortgages, which are not a liquid security, the loan companies are conservative lenders and their mortgage investments represent the prime loans in this field. Payments can be expected to fall somewhat in arrears in difficult times but the loan and trust companies have passed through previous periods of depression and the interests of depositors are well safeguarded. The old companies with an experience of 30 or more years have made provisions for possible losses on mortgage investments but these losses have in the past been a comparatively small percentage of the total book value of investment and are absorbed by the shareholders and not the depositors.

Deposit liabilities of 32 Ontario trust and loan companies increased to $76,821,886 at the end of 1932

(Continued on page 15)

The

Waterloo Trust & Savings Company

Capital and Reserves $ 1,450,000
Assets - - 13,000,000

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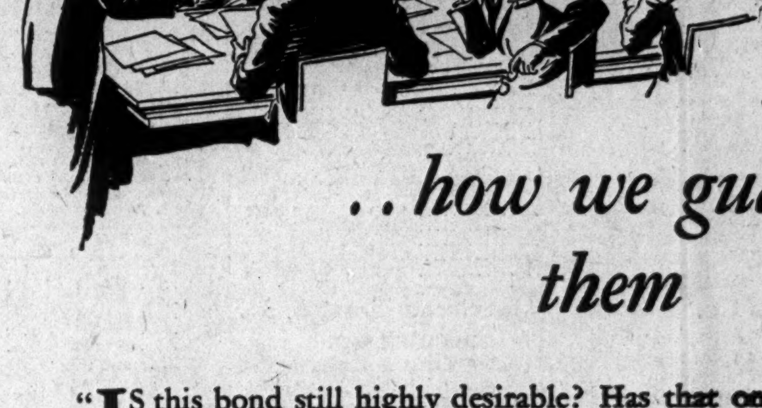

..how we guard them

"IS this bond still highly desirable? Has that one been called for redemption?"

The members of our Investment Committee constantly watch the current status of the securities in each individual trust left in our care.

Where a change for the better is possible and in order, they direct that it be made.

The members of our Investment Committee are well-known men of broad business experience, and sound conservative judgment.

Enquiries from those interested in regard to any of the above services and in regard to our charges are cordially invited.

Crown Trust Company

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393 St. James Street - - Montreal

Trust Companies

Acadia Trust Co.

Acadia Trust Co., Truro, N.S., has built up a large reserve in comparison with its paid-up capital. Assets total $6,526,248, comprised principally of estates under administration. Earnings, which are derived principally from trustee fees, have been well maintained. The company has been in business since 1920.

Officers and Directors—Hon. J. Stanfield, pres.; A. R. Coffin, vice-pres.; H. F. Bethel, man. dir.; F. L. Milner, J. W. McLeod, C. B. Smith, H. M. Chase, Hon. J. F. Fraser, Dr. J. L. McIsaac, Hon. E. M. MacDonald.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned $
1928	200,000	41,067	8	20.53
1929	200,000	44,583	8	22.29
1930	200,000	48,324	8	24.16
1931	200,000	55,619	10	27.80
1932	200,000	55,239	10	27.61

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	....	2,299,565	400,000
1929	....	2,980,786	400,000
1930	....	3,714,517	400,000
1931	....	5,034,008	500,000
1932	....	5,733,349	500,000

Administration & Trust Co.

Administration & Trust Co., Montreal, has been in operation since 1902 and has a number of well-known French-Canadians on its board of directors. Branch offices are maintained in each of the four Western provinces.

Officers—Hon. Sir H. Laporte, pres.; C. C. D'Anvers, vice-pres.; J. Theo. Leclerc, director gen.; J. C. Brosseau, sec.; C. E. Campiche, chief controller.

Directors—Hon. Sir H. Laporte, C. C. D'Anvers, M. Chevalier, Hon. R. Lemieux, Vicomte R. de Roumefort, Hon. N. Perodeau, Hon. T. Chapais, Hon. L. A. David, J. Sirois, L. S. St Laurent, J. T. Leclerc, C. A. Roy, S. J. B. Rolland.

Branch Offices—Quebec, Winnipeg, Regina, Edmonton, Vancouver.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	250,000	50,505	8	20.2
1929	440,301	55,595	8	12.4
1930	500,000	77,744	8	15.5
1931	500,000	77,601	8	15.5

Year	Guar. Account $	Estates under Adminis. $	Total* Reserves $
1928	163,000	23,993,477	238,597
1929	192,532	25,080,154	336,109
1930	171,132	28,007,656	376,156
1931	162,600	28,156,131	413,758

*Reserve and unappropriated profits. Latest figures available.

British-Canadian Trust

Lethbridge

Officers and Directors—G. Lomas, pres.; R. R. Davidson, dir.; H. D. Rood, mgr. and sec.; W. S. Ball, G. H. Stacey, F. Horne, G. H. Roy, R. B. C. Thomson, J. S. Kirkham.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	52,129	5,785	6+2	11.2
1929	82,882	10,495	9	14.5
1930	119,392	10,878	9	12.7
1931	130,892	6,006	6	4.6
1932	......	8,406	6	...

*Income tax deducted.
†On average capital.

Year	Total Assets $	Estates under Adminis. $	Total Reserves $
1928	421,728	287,405	9,500
1929	756,316	450,328	16,791
1930	929,725	599,101	20,553
1931	975,862	680,029	20,800
1932	1,009,395	*754,576	......

*Total estates trust and agency account.

British Mtge. & Trust Corp.

British Mortgage & Trust Corp., Stratford, Ont., was incorporated in Ontario in 1877. The company has total assets of $7,759,820 and does a substantial business in its guaranteed trust account. Mortgage loans are made only on properties in southwestern Ontario and earnings have been reasonably well maintained. Rights were offered to shareholders in 1928 and again in 1929, while in 1931 a stock dividend of 25 per cent was paid.

Officers—Hon. N. Monteith, pres.; J. W. Brown, vice-pres.; W. H. Gregory, man. dir.; W. P. Bradshaw, asst. mgr.

Directors—Hon. N. Monteith, J. W. Brown, T. Ballantyne, L. M. Johnston, D. A. Dempsey, W. H. Gregory, Dr. H. W. Baker.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Earned Per Sh. Rate $
1928	700,000	121,529	12+2	†17.3
1929	700,000	145,975	12+2	20.8
1930	782,700	149,668	12+2	†19.1
1931	1,000,000	138,356	*12	†13.8
1932	1,000,000	126,052	12	12.6

*Stock dividend of 25 per cent paid April 15, 1931.
†Capital increased during year.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	4,705,989	263,752	800,000
1929	5,111,782	289,378	830,000
1930	5,058,606	378,577	1,000,000
1931	5,176,875	566,439	825,000
1932	5,055,808	593,306	825,000

Brockville Trust & Savings Co.

Brockville Trusts & Savings Co., Brockville, Ont., has total assets of $1,848,879. The company was originally incorporated in Ontario as a loan company in 1885 and later was granted powers of a trust company. In 1932 the company made good progress in increasing estates, trusts and agencies under administration. All mortgage loans are located in Ontario and earnings of the company have been well maintained.

Officers — J. Gill Gardner, pres.; C. S. Cossitt, vice-pres.; L. C. Dargavel, man. dir.; E. J. Smith, sec.-treas.

Directors—J. Gill Gardner, Adam Fullerton, F. H. Fulford, C. S. Cossitt, Albert Gilmour, A. G. Parish, L. C. Dargavel, George T. Fulford, Hon. George P. Graham, LL.D., Brockville, Ont.

Earnings Record

Year	Paid-up Capital $	†Net Profits $	Div. Rate $	*Rate Earned per sh. $
1928	462,019	41,039	3.50	4.44
1929	500,000	44,096	3.50	4.41
1930	500,000	48,015	3.50	4.80
1931	500,000	44,778	3.50	4.48
1932	500,000	42,611	3.50	4.26

†After deducting interest, expenses, charges and government and business taxes.
*On paid-up capital. Par $50.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1929	677,735	1,252	225,000
1930	754,707	30,988	235,000
1931	790,679	98,601	235,000
1932	720,001	339,413	235,000

Canada Permanent Trust

Canada Permanent Trust Co., Toronto, is controlled by Canada Permanent Mortgage Corp., and was incorporated in 1913. Assets now total $31,984,710, having shown an annual increase since the company was formed. Chief revenues were derived from management of trust estates and agencies under administration.

Officers—W. G. Gooderham, pres.; G. H. Smith, 1st vice-pres. and gen. mgr.; Col. A. E. Gooderham, 2nd vice-pres.; W. F. Watkins, sec.; R. Henderson, inspector of branches; C. S. Robertson, mgr. Ontario branch.

Directors—W. G. Gooderham, G. H. Smith, Col. A. E. Gooderham, F. G. Osler, J. A. Rowland, F. S. Corrigan, W. Stone, Toronto; G. W. Allan, Winnipeg; A. B. Campbell, Edinburgh; N. Mackenzie, Regina.

Branch Offices—Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Woodstock, Ont., Brantford, Ont.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	1,000,000	97,921	6	9.79
1929	1,000,000	104,244	6	10.42
1930	1,000,000	92,037	6	9.20
1931	1,000,000	75,012	6	7.50
1932	1,000,000	70,790	6	7.08

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	1,092,591	17,404,566	300,000
1929	1,101,816	20,475,666	350,000
1930	1,116,158	22,916,366	400,000
1931	1,314,108	27,207,346	400,000
1932	1,834,002	29,164,755	400,000

Canada Trust Co.

Canada Trust Co., London, Ont., received a Dominion charter in 1894. It is a wholly-owned subsidiary of Huron & Mortgage Corp. and performs all the functions of a trust company. It is only since 1922 that the company has been active in receiving deposits. Assets total $30,127,974.

Officers — T. G. Meredith, pres.; H. E. Gates, vice-pres.; M. Aylsworth, gen. mgr.; D. McEachern, sec.; C. J. Clarke, treas.; H. W. Givins, supt. of Western branches; R. P. Baker, invest. exec.; R. H. Cronyn, asst. sec.

Directors — T. G. Meredith, ch.; Hume Cronyn, V. P. Cronyn, H. E. Gates, M. Aylsworth, G. H. Belton, N. R. Howden, Col. I. Leonard, Lieut.-Col. C. Brown, A. R. Cairncross, T. W. McFarland, Major A. C. Spencer, London, Ont.; A. R. Bartlet, Windsor; J. B. Davidson, St. Thomas; C. H. Houson, Chatham; S. F. Washington, Hamilton; W. H. Gardner, Winnipeg.

Branch Offices—London, Ont. (4); Toronto, Hamilton, St. Thomas, Chatham, Windsor, Regina, Winnipeg, Edmonton, Victoria and Vancouver.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	1,000,000	129,002	10	12.90
1929	1,000,000	130,887	10	13.09
1930	1,000,000	132,081	10	13.21
1931	1,000,000	108,078	10	10.81
1932	1,000,000	100,830	10	10.08

*After defraying expenses of management and other charges, taxes, and making provision for actual losses.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	6,544,172	13,449,692	800,000
1929	6,510,895	20,667,189	850,000
1930	7,112,193	18,901,769	850,000
1931	6,707,288	21,630,322	850,000
1932	6,196,139	21,989,804	850,000

Capital Trust Corp.

Capital Trust Corp., Ottawa, has been in operation since 1912 and now has total assets of $17,236,530. Mortgage investments of the company are principally in Ontario, although some mortgages are held on property in Western Canada and in Quebec. Deposits and guarantee account were well maintained in 1932 and estates under administration showed increase. Part of the company's general reserve was transfered to contingent reserve available for depreciation of real estate and other assets.

Officers—Hon. M. J. O'Brien, hon. pres.; J. J Lyons, pres.; A. E. Provost, Hon. E. W. Tobin, J. J. Seitz, vice-pres.; E. T. B. Pennefather, gen. mgr.; E. L. Parent, asst. gen. mgr.; J. J. Lyons, sec.

Directors—J. J. McFadden, W. J. Hussey J. G. Carroll, W. H. McAuliffe, Col. D. R. Street, J. B. Duford, J. A. O'Brien, A. J. Major, P. Shea, J. Gleeson, M. A. Mahoney, T. D'Arcy McGee, J. Keenan, Hon. J. J. Donnelly, Col. L. T. Martin, E. T. B. Pennefather, M. W. Hackett, T. O'Connell.

Branch Offices—Toronto, Montreal.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earn.† $
1928	668,706	51,854	5	8.26
1929	703,056	54,838	5	8.20
1930	731,182	57,585	5	8.00
1931	871,835	69,253	5	8.50
1932	879,241	47,076	5	5.37

†On average capital.
*After deducting management expenses and taxes, but before deducting amount for accrued taxes and amount written off equipment, etc.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	4,134,649	7,001,719	80,000
1929	4,711,058	8,470,828	120,000
1930	5,146,249	9,138,215	135,000
1931	5,524,615	9,527,228	155,000
1932	5,510,230	10,616,502	68,000

Central Trust Co.

Moncton

Officers—Dr. R. C. Tait, pres.; H. M. Wood, 1st vice-pres.; Hon. F. Magee, 2nd vice-pres.; J. F H Teed, 3rd vice-pres.; E. H. Ritcey, asst. sec. and mgr.; Hon. E. A. Reilly, sec.-treas.

Branch Offices—Saint John, N.B., Woodstock, N.B.

Earnings Record

Year	Paid-up Capital $	Undivided Profits $	Div Rate %
1928	100,200	32,917	5
1929	100,200	......	6
1930	100,200	40,362	6
1931	100,200	45,999	6
1932	100,200	49,239	6

Year	Estates under Administration $	Total Reserves $
1928	1,704,847	150,000
1929	2,202,517	150,000
1930	2,702,912	175,000
1931	3,283,730	175,000
1932	3,518,399	175,000

Chartered Trust & Executor Co.

Chartered Trust & Executor Co., Toronto, was originally incorporated under Dominion charter in 1905. The company has total assets of $22,939,422 and during 1932 increased both deposits in guaranteed account and estates under administration. Practically all the company's mortgage investments are in urban property in and around Toronto. In 1932, the company reduced its reserve in order to write down securities to values below government requirements. Principal revenue of the company is from agency fees and commissions earned.

Officers—J. Y. Murdoch, pres.; W. S. Morden, vice-pres.; J. J. Gibson, vice-pres. and gen. mgr.; E. W. McNeill, sec.; F. McLaughlin, mgr. real estate dept.; F. W. Tolfield, Montreal branch mgr.

Directors—J. Y. Murdoch, W. S. Morden, J. J. Gibson, R. R. Corson, F. McLaughlin, H. W. Knight, Lt.-Col. K. R. Marshall, E. W. Wright, Toronto; J. A. Martin, Kitchener; Lt.-Col. D. H. McLaren, Barrie; E. K. Reiner, Wellesley, Ont.; C. G. Greenshields, Montreal.

Branch Office—Montreal.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate† Earned per sh. $
1928	908,820	73,167	6	8.06
1929	987,900	88,373	6	8.95
1930	1,000,000	78,211	6	7.82
1931	1,000,000	73,090	6	7.31
1932	1,000,000	57,543	5	5.75

*After deducting reserve for taxes and depreciation write off.
†On paid-up capital.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	2,253,901	12,818,034	200,000
1929	2,691,530	17,108,580	215,000
1930	3,187,143	18,032,918	230,000
1931	2,560,599	17,846,702	200,000
1932	2,649,787	19,011,292	100,000

Community Trusts Corp.

Chatham

Community Trusts Corp., Chatham, is a comparatively new company incorporated in Ontario in April, 1928. The company now has total assets of $578,886 and has shown some progress in acquiring business each year. As yet no substantial reserve has been built up.

Officers—P. S. Coate, pres. and man. dir.; C. Austin, vice-pres.; J. A. McCallum, sec.-treas.

Directors — P. S. Coate, A. Park, S. M. Glenn, C. Austin, W. E. Rispin, W. G. Richards, Spencer Stone.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned $
1929	117,650	8,139	3.50	7.00
1930	117,650	8,500	2.50	7.26
1931	118,150	7,347	2.50	6.21
1932	118,150	7,803	2.50	6.61

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1929	42,803	132,772	......
1930	88,385	211,442	......
1931	105,208	216,735	......
1932	112,488	341,434	......

Commercial Trust Co.

Prince Albert, Sask.

Officers—F. C. Baker, pres.; A. J. Hansen, vice-pres.; Lindsay & Hutcheon, mgrs.; J. H. Lindsay, sec.

Directors—F. C. Baker, A. J. Hansen, J. H. Lindsay, M. J. McLeod, Mrs. J. G. Stinson.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	15,000	186	..	1.2
1929	15,000	315	..	2.1
1930	15,000	138	..	0.8
1931	15,000	162	..	1.0

Year	Total Assets $	Estates under Adminis. $	Total Reserves $
1928	41,000	19,800	1,000
1929	47,000	26,600	1,300
1930	42,014	22,543	525
1931	43,157	23,549	525

Latest figures available.

Crown Trust Co.

Crown Trust Co., Montreal, has been in business for some 25 years and now has total assets of $25,462,077. Principal business of the company is in the administration of estates, trusts and agencies. Earnings of the company dropped sharply in 1931 but showed some improvement in 1932 when the 7 per cent dividend was earned.

Directors—W. I. Gear, pres.; A. Lyman, vice-pres.; J. Jenkins, vice-pres.; F. G. Daniels, G. W. Birks, A. O. Dawson, H. B. Henwood, A. J. Hodgson, J. A. Mann, E. C. Pratt, I. P. Rexford, J. G. Ross, J. W. Ross, A. Wainwright, A. B. Wood, P. R. Walters.

Officers—I. P. Rexford, gen. mgr.; W. H. Jackson, asst. mgr.; Wm. F. Brass, mgr. real estate dept.; J. G. McKay, sec.; J. H. Hobbs, asst. sec.; A. S. K. Stitt, asst. sec.

Earnings Record

Year	Paid-up Capital $	Net Profits† $	Div. Rate $	Rate Earned $
1928	1,000,000	110,391*	7	11.03
1929	1,000,000	135,177*	7	13.51
1930	1,000,000	110,815*	7	11.08
1931	1,000,000	60,908	7	6.09
1932	1,000,000	71,264	7	7.13

†Taxes deducted.
*Before deducting $7,752 written off premises in 1928; $5,000 in 1929, and $6,521 in 1930.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	2,446,032	18,341,560	300,000
1929	1,809,936	23,247,185	400,000
1930	1,499,030	25,186,657	400,000
1931	470,105	21,420,171	400,000
1932	381,130	21,926,012	400,000

Eastern Trust Co.

Eastern Trust Co., Halifax, N.S., commenced business in 1893 with a Dominion charter and now has total assets of $49,278,792. In 1932, the company showed an increase in deposit liabilities as well as in estates under administration. The company has a strong board of directors and earnings have been well maintained. Mortgages held by the company are all on properties in Quebec and the Maritime Provinces.

Officers—Hon. W. A. Black, chm. of board; Hon. F. B. McCurdy, pres.; O. E. Smith, T. F. Tobin and J. B. Douglas, vice-pres.; F. H. M. Jones, gen. Mgr.

Directors—Hon. W. A. Black, Hon. F. B. McCurdy, O. E. Smith, T. F. Tobin, J. B. Douglas, J. Bassett, Hon. R. G. Beazley, A. J. Campbell, W. H. Chase, A. K. Cameron, H. C. Flood, G. Henderson, H. J Hague, J C. MacKeen, J. MacNeil, Hon C. W. Robinson, J. McG. Stewart, F. P. Starr, C. W. Stairs, D. C. Sinclair, H. R. Silver, Hon. J. C. Tory, J. H. Winfield, Col. Hon. J. L. Ralston.

Branch Offices — Montreal, Saint John, Moncton, Charlottetown, St. John's, Nfld.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	1,000,000	81,083	8	8.10
1929	1,000,000	111,554	8	11.15
1930	1,000,000	87,185	8	8.71
1931	1,000,000	84,393	8	8.43
1932	1,000,000	80,533	8	8.05

*Less tax reserve, directors' fees and amounts written off.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	3,539,367	44,882,247	100,000
1929	2,777,847	44,592,993	200,000
1930	2,975,599	43,195,473	200,000
1931	2,852,338	44,196,365	200,000
1932	3,124,338	44,888,037	200,000

Equitable Trust Co.

Winnipeg

Equitable Trust Co. was incorporated in 1912 and had total assets of $1,878,344 as at April 30, 1932. Earnings have not been reported for the last two fiscal years.

Officers and Directors — W. L. Parrish, pres.; H. W. Bell, vice-pres.; J. A. Forlong, vice-pres. and man. dir.; E. C. McMurray, mgr. and sec.-treas.; F. W. Leistikow, N. Heimbecker, W. A. Irish.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned %
1928	555,100	16,311	3	2.9
1929	555,100	19,915	3	3.5
1930	555,600	5,431	2	0.9
1931	600,000	......	..	..
1932	600,000	......	..	..

*Less income tax.

Year	Total Assets $	Reserve Funds $	Mortgages and Agreements $
1928	834,177	50,000	218,099
1929	901,252	50,000	295,044
1930	816,069	50,000	247,513
1932*	1,878,344	400,000	800,668

*As at Apr. 30.

Executors & Administrators Trust

Moose Jaw

Officers and Directors—A. W. Irwin, pres.; J. H. Wellington, 1st vice-pres.; R. H. Clarke, 2nd vice-pres.; W. A. Munns, mgr.; W. F. Dunn, P. F. Anderson, L. McTaggart, J. W. Sifton.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	91,892	7,934	6	8.6
1929	91,892	3,808	3½	4.1
1930	91,892	447	...	0.4

Year	Total Assets $	Estates under Adminis. $	Total Reserves $
1928	1,332,471	1,158,457	8,635
1929	1,351,968	1,247,104	8,382
1930	1,342,704	1,239,625	8,829

Latest figures available.

General Trusts & Executor

Halifax

Officers and Directors—H. W. Phinney, pres.; E. L. MacDonald and J. McConnell, vice-presidents; J. R. Machum, mgr. and sec.; G. McL. Daley, F. R. Davis, J. T. Cumming, G. B. Ismor, R. J. MacAdam, F. H. Manning, C. S. Morton, W. D. Piercey, W. R. Powell, C. L. Sanderson, L. E. Shaw, A. D. Smith, H. Oxley, D. M. Griffin.

Earnings Record

Yr. End. Feb. 28:	Paid-up Capital $	†Net Profits $	Div. Rate %	Rate Earned %
1930	110,840	*1,878	..	1.6
1931	173,899	3,458	..	1.9
1932	220,470	9,810	..	4.4

*For 7 months.
†Provision for income tax deducted.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1930	4,637	21,594	......
1931	55,369	74,656	......
1932	124,836	295,253	......

Latest figures available.

Fidelity Trust Co.

Winnipeg

Fidelity Trust Co., Winnipeg, had a loss in 1932, the second in the last three years. Liabilities to the public are comparatively small.

Officers—C. M. Simpson, pres. and man. dir.; W. L. Parrish, vice-pres.; R. W. Rutherford, sec.-treas.

Directors—W. F. Hull, W. L. Parrish, C. M. Simpson, J. Douglass, J. H. G. Russell, G. A. Davidson, O. C. Feetham, all of Winnipeg; A J. Keith, T. B. Keith, R. F. Werner, M.D., Eau Claire, Wis.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned per sh. %
1928	452,107	†1,268	..	0.3
1929	452,045	5,493	..	1.2
1930	452,045	*2,616	..	..
1931	452,045	263	..	..
1932	452,045	*1,423	..	..

*Loss.
†Less amount written off properties and agreements.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	500,628	50,000	7,293
1929	513,800	50,000	5,584
1930	519,951	50,000	14,801
1931	503,858	43,446	5,000
1932	499,323	39,479	5,287

Fidelity Trusts Co.

Niagara Falls

Fidelity Trusts Co. of Ontario has head office at Niagara Falls, Ont. Assets now total $724,262. The company has made good progress in building up a deposit business in the last four years but earnings have not been particularly satisfactory.

Officers—F. H. Leslie, pres.; R. E. Reid, vice-pres.; D. Ross, treas.; J. W. Butters, man. dir. and sec.

Directors—F. H. Leslie, R. E. Reid, D. Ross, J. W. Butters, L. B. Duff, A. B. Damude, Dr. G. B. Snyder, F. J. Bearss, R. Gay.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	153,120	....	..	...
1929	190,200	4,204	..	2.2
1930	190,200	6,955	..	3.6
1931	190,200	6,517	..	3.4
1932	190,200	....	..	...

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	1,120	23,998	......
1929	42,853	304,247	......
1930	67,642	273,122	......
1931	137,969	264,545	38,129
1932	168,341	316,638	37,797

General Trust of Canada

General Trust of Canada is affiliated with the Banque Canadienne Nationale and has total assets of $31,904,494. Previous to 1927, the company did business under the name of Credit General du Canada.

Officers—Hon. J. M. Wilson, pres.; Hon. D. O. L'Esperance and Beaudry Leman, vice-pres.; Rene Morin, gen. mgr. and sec.; L. Trottier, treas.

Directors—Hon. J. M. Wilson, Hon. D. O. L'Esperance, Beaudry Leman, R. Morin, Hon. F. L. Beique, L. J. Adjutor Amyot, J. Beaubien, L. E. Beaulieu, A. Terroux, A. N. Drolet, Sir J. G. Garneau, E. Guimont, Mendoza Langlois, Hon. J. Nicol, Hon. J. E. Perrault, Hon. Donat Raymond, L. G. Ryan, Hon. G. A. Simard, C. E. Taschereau, C. Laurendeau.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. *Rate $	Rate Earned $
1928	794,503	30,216	....	3.80
1929	1,105,000	88,474	3.75	8.00
1930	1,105,000	91,587	5.50	8.32
1931	1,105,000	99,675	6	9.06
1932	1,105,000	85,574	6	7.78

Capital stock consists of $1,100,000, and $5,000 common.
*On preferred.

Year	Guar. Account $	Estates under Adminis. $	Total Surplus $
1928	1,684,409	4,494,227	41,070
1929	1,387,131	6,896,031	77,199
1930	3,117,047	20,018,927	108,287
1931	1,614,650	24,883,078	141,962
1932	1,312,475	29,224,208	161,537

Grey & Bruce Trust

Grey & Bruce Trust and Savings Co., Owen Sound, Ont., has had a long record of successful operation under conservative management. Assets of the company total $2,347,811. In recent years the company has concentrated on obtaining business as a trustee with some success. Earnings of the company were lower in 1932.

Directors—J. Parker, C. A. Fleming, W. S. 1st vice-pres.; W. S. Middlebro, 2nd vice-pres.; W. M. Telford, mgr.

Directors—J. Parker, C. A. Flieming W. S. Middlebro, A. L. Danard, G. D. Fleming, J. Gardner, G. H. Holmes, J. C. Kennedy, G. S. Kilbourn, G. J. Mills, G. D. McLauchlan, W. H. Taylor.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	554,700	39,649	3	7.28
1929	544,700	35,996	3	6.61
1930	544,700	40,850	3	7.50
1931	544,700	38,585	3	7.09
1932	544,700	25,832	2	4.75

*After deducting reserve for depreciation, taxes and reserve for overdue interest on mortgages.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	974,748	80,872	70,000
1929	1,057,960	189,638	70,000
1930	1,102,128	305,220	75,000
1931	1,131,525	331,270	75,000
1932	1,112,385	506,340	75,000

Guaranty Trust Co.

Guaranty Trust Co. of Canada, Windsor, Ont., received a Dominion charter in 1925 and was registered as a trust company in Ontario in 1926. In 1932, the company showed a substantial increase in estates under administration and as a result of this increased business net profits were ahead of those in 1931.

Officers — A. F. Healy, pres.; Dr. J. O. Reaume, F H. Joyce and W. N. Gatfield, vice-pres.; C. W. McDiarmid, sec. and gen. mgr.; J. W Berry, asst. gen. mgr.

Directors—T. Chick, A. F. Fuerth, W. N. Gatfield, A. F. Healy, F. A. Hough, F. H. Joyce, Major E. C. Kenning, R. Maisey, C. W. McDiarmid, Dr. J. O. Reaume, E. B. Winter, T. W. Whiteside, W. D. Roach.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	102,732	9,947	..	9.74
1929	102,732	12,059	5	11.73
1930	102,732	16,975	7	16.50
1931	102,857	13,960	7	13.57
1932	102,854	15,698	8	15.26

*After deducting provisions for taxes.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	76,273	554,410	25,000
1929	153,404	561,879	30,000
1930	171,119	687,826	35,000
1931	213,314	844,540	40,000
1932	255,216	2,910,386	45,000

Guelph Trust Co.

Guelph Trust Co., Guelph, Ont., was established in 1917 as a subsidiary of Guelph & Ontario Investment & Savings Society. Assets now total $2,283,069 and earnings show considerable stability.

Officers—W. E. Phin, pres.; G. D. Forbes, 1st vice-pres.; J. R. Howitt, 2nd vice-pres.; J. M. Purcell, man. dir.

Directors—W. E. Phin, G. D. Forbes, J. R. Howitt, J. R. Phin, J. J. Shaw, J. M. Purcell, R. L. Torrance, J. Armstrong.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	299,000	29,933	2.50	5.00
1929	299,000	31,375	2.50	5.24
1930	301,000	31,924	2.50	5.30
1931	301,000	30,264	2.50	5.02
1932	301,000	31,496	2.50	5.23

*Less taxes.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	408,290	601,222	100,650
1929	421,216	1,348,465	110,650
1930	480,312	1,445,491	120,850
1931	509,576	1,277,226	130,850
1932	514,739	1,278,707	140,850

Industrial Mtge. & Trust

Industrial Mortgage & Trust Co., Sarnia, Ont., was originally incorporated as a building society in 1887 and secured trust company powers but a few years ago. Assets total $4,281,005. Earnings have been somewhat lower in the past three years and as a result dividend was reduced in 1932.

Officers—J. Cowan, pres.; M. McGugan, 1st vice-pres.; J. McFarlane, 2nd vice-pres.; W. R. Paul, man. dir.; B. Charlton, asst. mgr.

Directors—J. Cowan, M. McGugan, J. McFarlane, J. H. Anderson, W. J. Skinner, W. R. Paul, J. P. MacVicar, A. R. McKay, H. Lockhart.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	635,000	77,093	4.50+1	6.05
1929	635,000	80,001	4.50+1	6.29
1930	635,000	69,901	4.50+1	5.50
1931	635,000	58,271	4.50	4.58
1932	635,000	50,461	4.00	3.97

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	2,729,791	88,269	558,000
1929	2,756,682	261,177	574,000
1930	2,809,189	356,540	580,000
1931	2,708,336	389,764	580,000
1932	2,675,129	364,200	500,000

Imperial Trusts Co.

Imperial Trusts Co. of Canada was originally incorporated in 1887. In 1928, control of the company changed and the annual statement for the past two years has not been made public.

Toronto

Officers and Directors — A. C. McMaster, pres.; N. L. Nathanson, vice-pres.; E. V. Barthe, mgr.; J. A. Withrow, sec.; J. S Haxton, mgr. estates dept.; Hon. W. D. Ross, A. W. Marquis, K.C., Hon. G. Lynch-Staunton, K.C.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	248,650	5,434	..	2.1
1929	248,650	21,278	..	8.5
1930	248,650	17,857	..	7.0
1931	248,650	11,236	..	4.5

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	960,169	9,138,103	81,615
1929	1,158,227	10,811,199	31,615
1930	1,044,467	12,041,964	31,615
1931	686,191	9,956,373	......

Latest figures available.

London & Western Trusts Co.

London & Western Trusts Co. was organized in 1896, but became a nation-wide institution only in 1929 with the acquisition of Standard Trust Co. Assets of the company now total $44,137,450, largely consisting of estates, trusts and agencies under administration. In the last year, offices of the company in Calgary and Saskatoon have been closed. The company still maintains offices in Vancouver, Winnipeg, Toronto and London, Ont.

Earnings in 1932 showed a substantial drop and the dividend rate was reduced. Reserves were reduced to provide for depreciation in investments. Mortgage investments are largely secured by properties in Ontario.

Officers—Rt. Hon. A. Meighen, pres.; R. Lawson, vice-pres.; J. S. Moore, gen. mgr.

Directors—G. H. Aikins, G. M. Black, R. T Evans, Winnipeg; Brig.-Gen. J. A. Clark, G. Farrell, H. R. MacMillan, Maj.-Gen. J. W. Stewart, W. J. Blake Wilson, Vancouver; V. Evan Gray, Rt. Hon. A. Meighen, Sigmund Samuel, Toronto; G. C. Gunn, A. T. Little, A. McPherson, R. Lawson, J. S. Moore, London, Ont.

Branch Offices—London, Toronto, Winnipeg, Saskatoon, Calgary, Vancouver.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	500,000	86,958	8	17.3
1929	999,475	102,033	9	13.4
1930	1,174,210	81,206	9	7.0
1931	1,181,020	108,372	8½	9.2
1932	1,214,225	49,143	6½	4.4

†On average capital.
*After deducting expenses of management, taxes, etc. Also income tax reserve amounting to $9,500 in 1932; $13,200 in 1931; $10,759 in 1930 and $8,800 in 1929.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	....	32,304,221	425,000
1929	....	34,669,758	949,475
1930	1,008,900	39,049,618	849,210
1931	2,747,867	38,771,478	856,020
1932	2,767,649	39,344,128	400,015

Lambton Trust Co.

Lambton Trust Co., of Sarnia, Ont., started business in 1928 and now has total assets of $398,622. The company paid its first dividend in 1932.

Officers—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.; J. M. Hunt, mgr.

Directors—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, all of Sarnia; A. G. Minielly, Watford; R. M. E. McDiarmid, Alvinston; I. Greenizen, Petrolia.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate* Earned $
1929	159,500	11,762	...	7.39
1930	160,500	6,664	...	4.16
1931	160,500	10,275	...	6.41
1932	161,000	10,341	2.50	6.42

*On paid-up capital.

Year	Capital Account $	Estates under Adminis. $	Total Reserves $
1928	191,731	28,560	25,000
1929	203,794	130,123	25,000
1930	211,658	140,929	50,000
1931	221,933	173,857	50,000
1932	224,725	173,896	50,000

Montreal Trust Co.

Montreal Trust Co. is one of the largest of Canadian trust companies, with total assets of $825,810,506. While there is no corporate connection the interests in control are also interested in the Royal Bank of Canada. The company

(Continued on page 13)

The Lambton Trust Company

Authorized Capital $1,000,000.00
Subscribed Capital 313,000.00
Paid-in Capital 161,000.00
Reserve Fund 50,000.00
Undivided Profits 13,725.48
Total Assets 398,622.03

Board of Directors:

NORMAN S. GURD, *President*—Sarnia
COL. ROBERT MACKENZIE, *Vice-president*—Sarnia
A. G. MINIELLY, Watford — R. M. E. McDIARMID, Alvinston
CHESTER H. BELTON, Sarnia — ISAAC GREENIZEN, Petrolia
ALBERT J. JOHNSTON, Sarnia — J. M. HUNT, *Manager*

Head Office: - - SARNIA, CANADA

GUELPH and ONTARIO
Investment and Savings Society
Incorporated A.D. 1876

Deposits Received — Debentures Issued

GEORGE D. FORBES, *President* — J. M. PURCELL, *Managing Director*

Head Office: GUELPH, ONTARIO

THE GUELPH TRUST CO.
W. E. PHIN, *President*

is under the same management and acts as Executor, Administrator, Trustee, etc.

Head Office: GUELPH, ONTARIO

A COMBINED MORTGAGE AND TRUST INSTITUTION—THE STRONGEST IN CANADA

Head Office TORONTO, ONT. COR. ADELAIDE AND BAY STREETS

SERVICES in SAVINGS MORTGAGES DEBENTURES TRUSTS and ESTATES

BRANCHES from COAST to COAST

COMBINED ASSETS in EXCESS of $100,000,000

THE CANADA PERMANENT MORTGAGE CORPORATION

has the unique record of serving the Canadian people from 1855 to 1933. Its conduct of business has been distinguished by an uncompromising fidelity to its clients' interests. Its service has always been directed by men whose experience and financial knowledge have ensured the most economical, capable and satisfactory management. Today, with branches from coast to coast, the Corporation stands pre-eminent among Canadian loan institutions. All funds are protected by a bulwark of assets in excess of $71,000,000.

THE CANADA PERMANENT TRUST COMPANY

is under the same direction and management as the Mortgage Corporation. It acts in the capacity of Executor and Trustee. Services include Living Trusts ... Investments ... Collections ... Real Estate Management ... Stock Transfer Agent ... Registrar ... Attorney for Executors and Trustees ... and as Custodian of Securities. It also offers you the most modern Safety Deposit Facilities in Canada where for a small sum your precious possessions will be in absolute security.

We invite you to consult with us

DIRECTORS:—President—W. G. Gooderham; First Vice-President—George H. Smith; Second Vice-President—Col. A. E. Gooderham, LL.D.; F. Gordon Osler; George W. Allan, K.C., Winnipeg; William Stone, A. B. Campbell, W.S., Edinburgh; Norman Mackenzie, K.C., Regina; John A. Rowland, K.C., F. C. Corrigan; General Manager—George H. Smith, Assistant General Managers—Robert Henderson, Charles S. Robertson and Walter F. Watkins.

CANADA PERMANENT MORTGAGE CORPORATION

78 YEARS

THE CANADA PERMANENT TRUST COMPANY

BRANCHES:
Halifax, Saint John, Woodstock, Ont., Brantford, Toronto, Winnipeg, Regina, Edmonton, Vancouver

TRUST COMPANIES

Montreal Trust Co.

(Continued from page 12)

maintains branches across Canada and in London, Eng. Most of the company's revenue is derived from commissions on trust business.

Officers—Sir H. Holt, pres.; A. J. Brown, vice-pres.; F. G. Donaldson, gen. mgr.; W. S. Greene and J. P. Angus, asst. gen. mgrs.

Directors—Sir H. Holt, A. J. Brown, R. Adair, J. E. Aldred, G. Caverhill, W. H. Coverdale, Hon. R. Dandurand, F. G. Donaldson, G. H. Duggan, A. E. Dyment, G. W. MacDougall, W. M. Macpherson, A. D. MacTier, C. B. McNaught, J. S. Norris, Hugh Paton, F. W. Ross, J. C. Smith, Hon. Smeaton White, M. W. Wilson, P. F. Sise, W. F. Angus, A. P. Holt, J. C. Newman.

Executive Committee: Sir H. Holt, Hon. A. J. Brown, G. Caverhill, M. W. Wilson, G. H. Duggan, F. G. Donaldson.

Branch Offices—Halifax, Toronto, Winnipeg, Edmonton, Vancouver, London, Eng.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned %
1928	2,000,000	420,500	12	21.0
1929	2,000,000	523,220	14	26.1
1930	2,000,000	551,818	16	27.5
1931	2,000,000	554,723	17	27.7
1932	2,000,000	464,311	17	23.2

*Tax reserve and subscription to hospital deducted.

Year	Guar. Account $	*Estates under Adminis. $	Total Reserves $
1928	24,540,656	360,260,604	2,000,000
1929	25,033,246	602,392,067	2,000,000
1930	35,553,336	729,119,575	2,500,000
1931	24,040,408	760,824,823	2,500,000
1932	18,940,882	798,633,588	2,500,000

*Including agencies (safe custody).

National Trust Co.

National Trust Co., Toronto, was incorporated in Ontario in 1898 and with total assets of $267,044,281 is one of the largest Canadian trust companies. From 1924 to 1931 assets of the company were doubled. The company has branches in many of the principal cities in Canada and in London, Eng. Earnings were somewhat lower in 1932 and dividends were reduced from 14 per cent to 12½ per cent and recently to 10 per cent. Shares of the company are listed on the Toronto Stock Exchange.

Officers—Sir J. Flavelle, chm. of board; W. E. Rundle, pres.; E. R. Wood, H. C. Cox and L. McCarthy, vice-pres.; J. M. Macdonnell, gen. mgr.; J. C. Breckenridge, gen. supt.; F. R. MacKelcan, counsel Corporate Trust Dept.; W. M. O'Connor, mgr. Toronto office; W. G. Davidson, sec.; C. Huckvale, treas..

Directors—Sir J Flavelle, W. E. Rundle, E. R. Wood, H. C. Cox, E. M. Saunders, Sir J. Aird, J. Ryrie, Rt. Hon. Sir T. White, Miller Lash, L. McCarthy, J. A. McLeod, G. A. Morrow, A. N. Mitchell, E. G. Long, P. O'Connor, all of Toronto; H. B. Walker, W. M. Birks, Carl Riordon, Lt.-Col. W. Leggat, W. Molson, E. Fitz-Gerald, Montreal; A. McT. Campbell, G. W. Allan, W. H. McWilliams, J. A. Richardson, Winnipeg; H. J. Fuller, New York; H. E. Walker, Walkerville; G. W. McLaughlin, Oshawa; W. G. Morrow, Peterborough; F. F. Dalley, T. C. Haslett, D'Arcy Martin, C. S. Wilcox, G. H. Levy, Hamilton.

Branch Offices—Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned %
1928	3,000,000	451,439	12+1	15.04
1929	3,000,000	542,482	12+1	18.08
1930	3,000,000	533,549	14	17.78
1931	3,000,000	449,892	14	15.00
1932	3,000,000	381,838	12½	12.72

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	17,744,094	178,014,574	3,000,000
1929	17,702,278	219,835,364	3,000,000
1930	20,534,678	235,382,200	3,000,000
1931	21,244,168	237,979,850	3,000,000
1932	21,691,000	238,935,496	3,000,000

Maritime Trust Co.

Saint John

Officers—H. P. Robinson, pres.; F. C. Beatteay, vice-pres.; P. G. Clark, vice-pres.; H. C. Wilson, mgr. and treas.; W. R. Smith, sec.

Directors—W. C. Allison, F. C. Beatteay, Hon. F. B. Black, G. P. Burchill, H. A. Carr, Hon. A. B. Copp, P. G. Clark, A. Fraser, W. F. Fraser, M. MacLaren, J. MacMurray, N. M. Mills, J. D. McKenna, A. N. McLean, R. H. McLean, R. O'Leary, A. P. Paterson, W. C. Pitfield, H. P. Robinson, F. M. Moss, F. R. Sumner, J. J. F. Winslow, K.C.

Earnings Record

Year	Paid-up Capital* $	Net Profits $	Div. Rate %	Rate Earned %
1929	135,000	..	..	..
1930	135,100	3,024	..	2.2
1931	135,100	5,100	..	3.8

Year	Total Assets $	Estates Under Adminis. $	Total Reserves $
1929	308,665	......	....
1930	1,306,213	1,031,793	2,165
1931	2,870,898	2,589,220	4,782

Latest figures available.

Northern Trusts Co.

Northern Trusts Co., Winnipeg, is one of the older established Western companies, having been originally established in 1902, although the Dominion charter of the present company was obtained in 1923. The company operates branches in Regina and Calgary. Assets now total $18,944,787. In 1931, approximately half of the company's revenue was obtained from agency fees and commissions. Mortgages held by the company are principally on properties in Alberta, Saskatchewan and Manitoba.

Officers—R. T. Riley, pres.; W. A. Murphy, vice-pres.; C. S. Riley, man. dir.; J. H. Riley, head office mgr.; M. J. Marshall, treas.; W. Milton, sec.; H. C. M. Brown, Regina branch mgr.; J. S. McMurchy, Calgary branch mgr.

Directors—R. T. Riley, D. K. Elliott, O. S. Riley, G. W. Allan, N. J. Breen, J. A. Crowe, C. C. Ferguson, R. J. Gourley, W. A. Murphy, H. B. Lyall, S. T. Smith, J. H. Turnbull, R. R. Wilson, Winnipeg; W. H. Malkin, Vancouver; F. W. Stobart, Sussex, Eng.

Branch Offices—Regina, Calgary.

Record of Earnings

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	1,500,000	120,630	2.00	4.02
1929	1,500,000	120,192	2.50	3.44
1930	1,500,000	79,386	2.50	2.31
1931	1,500,000	55,752	1.50	1.19
1932	1,500,000	35,333	0.50	....

*After all management expenses, directors' and auditors' fees, salaries, taxes, etc., but before provision against depreciation in market value of bonds, debentures and stocks.

†After provision against depreciation in market value of bonds, debentures and stocks.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	2,505,028	12,970,756	100,000
1929	2,444,024	12,532,971	300,000
1930	2,330,695	12,513,917	300,000
1931	2,193,721	14,315,894	300,000
1932	1,931,917	14,156,891	*300,000

*Shown as general investment reserve.

Nova Scotia Trust Co.

Halifax

Nova Scotia Trust Co., Halifax, was incorporated in Nova Scotia in 1912. Mortgage investments of the company are confined entirely to Nova Scotia. The company has shown increasing business in recent years and earnings have been well maintained.

Officers and Directors—M. S. Clarke, pres.; B. P. Saunders, vice-pres.; T. W. Murphy, vice-pres.; R. W. Elliot, man. dir.; G. R. Harrison, sec.; C. W. Anderson, Hon. Wm. Chisholm, R. A. Corbett, Hon. W. H. Dennis, J. G. Farquhar, G. E. Graham, L. A. Lovett, Hon. G. H. Murphy, J. A. Young.

Earnings Record
Year End. Feb. 28

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned %
1928	353,800	35,438	7	10.0
1929	425,900	40,687	7	10.5
1930	469,700	43,220	7	10.0
1931	474,700	56,119	7	12.0
1932	474,700	59,314	7	12.5

*After deducting fees, taxes and amount written off.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	835,337	3,884,148	70,000
1929	949,738	3,152,302	100,000
1930	1,097,683	4,015,384	125,000
1931	1,250,252	4,604,746	135,000
1932	1,322,235	4,974,636	150,000

Latest figures available.

Make Your Will Now!

When it comes to the question of making a Will, delays are dangerous. Many a man has caused his family and other heirs needless hardships and worry, simply because he has postponed the performance of this simple duty.

Make your Will Now—and to assure its provisions being most carefully and efficiently carried out, appoint The Nova Scotia Trust Company your Executor, or co-Executor and Trustee.

Our fees are fixed by law and are always low.

THE NOVA SCOTIA TRUST COMPANY

Executors — Trustees — Guardians

R. W. Elliot, *Managing Director*

G. R. Harrison, *Secretary*

162 Hollis Street, Halifax, Nova Scotia

Capital and Reserves .... over $ 600,000.00

Total Assets .... over $6,000,000.00

THE Acadia Trust Company

TRURO, N. S.

EXECUTORS — ADMINISTRATORS
TRUSTEES — GUARDIANS
FINANCIAL AGENTS — CUSTODIANS

Our New Offices mean better accommodation for our clients' SAFETY DEPOSIT BOXES now available in our new Burglar-Proof Vaults. We shall be pleased to consult with you on any matters of Trust.

OUR SLOGAN:—

"SAFETY SERVICE STRENGTH"

OUR MOTTO:—

"OUR ASSETS YOUR GUARANTEE"

Occidental Trust Co.

Occidental Trust Co., Wawanesa, Man., has no liabilities to the public and total assets of $193,920.

Officers—R. Wallace, pres.; G. H. Stephens, vice-pres.; C. M. Vanstone, man. dir.; E. L. McDonald, sec.-treas.

Directors—A. J. Elliott, S. H. Henderson, E. L. McDonald, C. M. Vanstone, G. H. Stephens, R. Wallace.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	129,060	8,663	5	6.7
1929	129,083	10,466	.	8.1
1930	130,175	4,889	5	3.7
1931	130,175	8,635	5	6.6
1932	132,675	5,791	5	4.4

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	184,946	......	......
1929	189,049	......	......
1930	190,000	......	......
1931	192,137	......	......
1932	193,919	25,000	......

Osler & Nanton Trust Co.

Winnipeg

Osler & Nanton Trust Co., Winnipeg, is controlled by Osler Hammond and Nanton Limited. No earnings are available for this trust company but in the last two years there has been reduction in the amount of estates under administration and total assets.

Officers—Osler, Hammond & Nanton, gen. mgrs.

As at June 30:

Year	Total Assets $	Estates under Adminis. $	Total Reserves $
1928	3,949,116	2,845,406	130,639
1929	3,903,235	2,829,390	142,774
1930	5,192,858	4,152,317	152,473
1931	4,903,475	3,951,631	145,045
1932	4,675,011	3,727,693	138,093

Paid-up capital stock of $650,000 is controlled by Osler, Hammond & Nanton.

Okanagan Loan & Investment Trust

Kelowna, B.C.

Officers—B. de F. Boyce, chm.; J. R. Beale, vice-chm.; O. St. P. Aitkens, mgr.; F. V. Royle, sec.

Directors—B. de F. Boyce, Kelowna, J. R. Beale, Rutland; D. L. Jones, O. St. P. Aitkens, Kelowna; A. J. Corner, Glenmore.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned per sh. %
1928	403,000	25,910	*6	6.4
1929	403,000	28,135	6	6.9
1930	403,000	26,346	4½	6.5
1931	403,000	26,487	4½	6.5
1932	403,000	‡15,899	2¼	3.9

Year As at June 30:	Guar. Accounts $	Estates under Adminis. $	Total Reserves
1928	49,953	†58,799	48,000
1929	38,260	253,865	48,000
1930	54,863	236,278	48,000
1931	37,416	227,512	48,000
1932	16,951	196,725	40,000

*Six per cent on fully paid shares and five per cent on partly paid shares. ‡Less tax reserve $3,500.

†Includes accounts receivable (not secured) $4,846.

Premier Trust Co.

London, Ont.

Premier Trust Co., formerly of London, was acquired by a Toronto group early in 1931. Control was formerly held by the People's Loan & Savings Corp., whose affairs are now administered by Huron & Erie Mortgage Corp. Total assets of Premier Trusts are $2,472,772. Earnings showed some increase in 1932.

Officers and Directors—J. Gray, pres.; W. Heaman, vice-pres.; W. Spittal, sec.; T. B. Holmes, mgr.; Dr. J. Dearness, A. W. Peene.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. %
1928	180,000	10,937	5.50	6.4
1929	190,000	13,128	6	7.2
1930	190,000	12,407	6	6.5
1931	230,055	11,319	5	5.7
1932	300,063	16,586	5+1	6.3

*After deducting provision for taxes and sundry adjustments.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	170,128	1,141,114	18,000
1929	156,499	1,743,297	20,000
1930	159,173	1,726,162	20,000
1931	221,749	1,912,167	20,000
1932	226,099	1,906,148	15,000

Prudential Trust Co.

Prudential Trust Co., Montreal, commenced business in 1910 with a federal charter. The company has grown slowly and business consists chiefly of administration of estates, trusts and agencies.

Officers—B. H. Brown, pres.; P. Galibert and H. N. Chauvin, K.C., vice-pres.; F. S. Taylor, gen. mgr.; A. Hall, sec.-treas.; G. M. Rae, asst. sec.

Directors—B. H. Brown, Brig.-Gen. G.E. McCuaig, P. Galibert, R. Locke, H. N. Chauvin, K.C., Hon. F. Carrell, M.L.C., G. G. Hyde, K.C., P. S. Ross, G. H. Cook, Dr. E. M. Desaulniers.

Earnings Record

Year	Paid-up Capital $	Net Profits§ $	Div. Rate %	Rate Earned Per Sh. %
1928	717,470	1,028	..	..
1929	717,470	‡4,203	..	..
1930	347,640	†1,057	..	..
1931	350,549	*11,084	..	..

* Loss. ‡ Before deducting costs incurred in settlement of litigation. † Before deducting expenses in connection with reorganization of capital, etc. § Before deducting legal and other expenses.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserves $
1928	486	4,688,468	..
1929	496	4,990,476	..
1930	486	5,481,284	..
1931	486	5,542,715	..

Latest figures available.

Royal Trust Co.

Royal Trust Co., with head office in Montreal, has been in business since 1892 and operates 11 branches in Canada, one in St. John's, Newfoundland, and one in London, Eng. The company has total assets of $626,940,981. Chief business is in the administration of estates, trusts and agencies, of which it held $479,414,081 at the end of 1932. The company was incorporated in 1892, but did not start business until 1899. The company is empowered to do business in every province of the Dominion as well as in Great Britain, Northern Ireland and Newfoundland.

Officers—Sir C. Gordon, pres.; H. R. Drummond, vice-pres.; R. P. Jellett, gen. mgr.; R. Clarkson, asst. gen. mgr.; G. T. Bogert, supt. of branches.

Directors—H. A. Allan, D. F. Angus, Hon. C. C. Ballantyne, E. W. Beatty, W. A. Black, W. A. Bog, N. J. Dawes, C. W. Dean, H. R. Drummond, Sir C. Gordon, A. E. Holt, J. W. McConnell, R. H. McMaster, F. E. Meredith, Lt.-Col. H. Molson, F. Sise, W. M. Stewart, Montreal, Que.; Hon. T. Ahearn, Ottawa; Hon. H. Cockshutt, Brantford; Maj.-Gen. Hon. S. C. Mewburn, Hamilton, Ont.; Britton Osler, W. N. Tilley, Toronto; Hon. L. A Taschereau, Quebec; Sir F. Williams-Taylor, London, Eng.

Branch Offices—Montreal, Calgary, Edmonton, Halifax, Hamilton, Ottawa, Quebec, Saint John, N.B., St. John's Nfld., Toronto, Vancouver, Victoria, Winnipeg, London, Eng.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	2,000,000	548,939	14+4	27.45
1929	2,000,000	679,118	12+4	33.96
1930	2,000,000	550,451	2.60+40	†5.50
1931	2,000,000	486,655	3.20+40	4.87
1932	2,000,000	393,887	3.20	3.94

†In Feb., 1930, par value of shares was reduced from $100 to $20.

*After deducting management and all other expenses and providing for all contingencies.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	11,148,116	295,100,955	3,500,000
1929	14,841,648	333,184,922	3,750,000
1930	11,928,242	374,397,697	3,750,000
1931	8,493,124	421,584,351	3,750,000
1932	7,320,443	479,414,081	3,750,000

Sask. General Trusts Corp.

Regina, Sask.

Officers — G. H. Barr, pres.; W. Wilson, vice-pres.; P. C. Clarke, gen. mgr.; D. Low, M.D., director.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	189,250	14,077*	6	7.4
1929	239,632	8,126*	6	3.9
1930	241,753	747	.	0.3
1931	241,753	1,551	.	0.6

*Less tax reserve.

Year	Guar. Account Assets $	Estates Under Adminis. $	Total Reserves $
1928	......	4,451,343	85,000
1929	16,558	4,472,521	60,000
1930	28,182	4,534,797	30,507
1931	31,029	4,551,054	30,507

Latest figures available.

Sherbrooke Trust Co.

Sherbrooke Trust Co., Sherbrooke, P.Q., has been in operation since 1874 and has total assets of $4,268,886. Company has shown a gradual growth of business, which continued in 1932. The annual statement of the company is somewhat unique among Canadian trust companies' statements, owing to a complete statement made by the auditors of the company to shareholders. Business of the company is largely localized in the Eastern Townships of Quebec.

Officers—W. A. Hale, pres.; J. MacKinnon, vice-pres.; P. M. Robins, sec.-treas.; R. N. Robins and R. DuBerger, asst. sec.-treas.

Directors—W. A. Hale, J. MacKinnon, H. E. Goodhue, M. W. Mitchell, Hon. J. Nicol, C. Picard, F. S. Rugg.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	300,000	34,149	6	12.06
1929	300,000	36,640	6	12.21
1930	300,000	34,763	6	11.58
1931	300,000	†27,565	6	9.18
1932	300,000	†26,464	6	8.81

*Less income tax.

†After depreciation on premises and furniture, etc. $5,028 in 1932; $4,985 in 1931.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	1,222,635	2,020,069	140,738
1929	1,137,646	2,159,531	160,385
1930	1,163,304	2,208,447	177,002
1931	1,268,031	2,315,216	188,107
1932	1,290,374	2,440,882	192,115

Societe Nationale de Fiducie

Societe Nationale de Fiducie of Montreal started business in 1918 and now has total assets of $11,972,038. Earnings were substantially increased in 1932 and the company maintained its dividend rate of 10 per cent and increased reserves.

Officers—V. Morin, pres.; Guy Vanier, 1st vice-pres.; J. V. Desaulniers, 2nd vice-pres., directing mgr. and sec.; H. Ouimet, asst. mgr. and asst. sec.

Directors — V. Morin, G. Vanier, J. V. Desaulniers, Hon. C. Laurendeau, J. Pelletier, A Parent, V. E. Beaupre, E. J. Brossard, H. Cypihot.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	105,000	35,320	10	33.6
1929	105,000	18,312	10	17.4
1930	112,530	31,167	10	28.6
1931	120,000	26,672	10	23.2
1932	125,000	43,272	10	34.6

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	98,998	6,964,463	*146,119
1929	104,414	7,650,619	*153,932
1930	149,807	8,391,440	140,000
1931	213,568	10,866,563	140,000
1932	230,896	11,249,843	150,000

*Surplus and reserves.

Sterling Trusts Corp.

Sterling Trusts Corp., Toronto, was incorporated with Dominion charter in 1911 with head office in Regina. Later the head offices moved to Toronto and a branch was maintained in Regina. Assets now total $11,415,196. In recent years, the company has shown increased business in savings deposits and investment receipts. Earnings showed some reduction in 1932 and the dividend rate was reduced to 4 per cent.

Officers—W. H. Wardrope, pres.; A. W. Briggs and N. Somerville, vice-pres.; C. Bauckham, vice pres. and man. dir.; J. R. Lovatt, sec.; W. C. McBrien, mgr. real estate dept.; L. Johnson, mgr. Regina branch

Directors—W. H. Wardrope, Hamilton, A. W. Briggs, N. Somerville, C. Bauckham, J. Hallam, J. M. Smillie, C. H. Burgess, W. H. Adamson, J. R. Lovatt, all of Toronto; Dr. J. W. Rutherford, Chatham; W. A. Boys, Barrie; L. Johnson and W. H. McEwen, Regina.

Branch Office—Regina.

Record of Earnings

Year	Paid-up Capital $	Net Profits† $	Div. Rate $	Rate* Earned $
1928	709,459	66,687	7	10.13
1929	777,530	60,441	7	7.92
1930	786,220	53,930	6	6.90
1931	789,499	50,812	6	6.44
1932	789,944	32,981	4	4.18

*On average capital.
†Less taxes.
‡Less depreciation.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	331,618	8,868,859	125,000
1929	559,852	10,239,637	140,000
1930	668,832	10,916,003	140,000
1931	798,264	9,864,179	100,000
1932	832,657	9,639,852	75,000

Sterling Trust Co. B. C.

Vancouver

Sterling Trust Co. of British Columbia, Vancouver, B.C., failed to report earnings in its annual balance sheet but shows total assets of $380,585. Reserves of the company have been deducted from gross assets in order to partially offset decrease in market value of securities held.

Officers—J. D. Hall, pres.; J. A. Findlay, vice-pres.

Directors—J. D. Hall, W. Hickey, J. A. Findlay, J. B. Allan, R. D. Blair.

Year	Agency Funds $	Estates under Adminis. $	Total Reserves $
1928	8,840	......	28,500
1929	6,471	166,243	28,500
1930	....	166,983	28,500
1931	....	158,528	28,500
1932	....	174,928	......

Sun Trust Co.

Sun Trust Co., Montreal, commenced business in 1912 and now has total assets of $31,108,969. Business consists chiefly in the administration of estates, trusts and agencies, but in 1931 the company started to take deposits. Until 1932 earnings of the company were substantially in excess of the dividend rate of 7 per cent.

Montreal

Officers—A. Vallee, pres.; J. A. Simard, A. Hudon and J. C. Gagne, vice-pres.; J. Ducharme, sec.; C. Fournier, treas.; Aime Parent, gen. mgr.

Directors—A. Vallee, J. A. Simard, A. Hudon, J. C. Gagne, J. A. Brillant, O. Dufresne, J. A. E. Gauvin, J. C. Hebert, J. P. Laporte, M.D., Lt.-Col. Hon. R. O. Grothe, C. De Tonnancour, C. Delagrave.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate† Earned %
1928	250,000	44,841	7	18.6
1929	250,000	37,360	7	15.0
1930	250,000	25,019	7	10.0
1931	250,000	33,589	7	13.4
1932	250,000	16,671	7	6.6

*Less tax reserve.
†On average capital.

Year	Guar. Account $	Estates under Adminis $	Total Surplus $
1928	....	56,080,432	96,774
1929	....	71,772,842	116,677
1930	....	82,361,848	120,525
1931	345,047	33,820,505	130,581
1932	203,996	30,521,296	129,752

Toronto General Trusts Corp.

Toronto General Trusts Corp. is one of the oldest and largest of Canadian trust companies having been incorporated in Ontario in 1872. Assets total $324,047,049. Business of the company has shown a steady increase in recent years and the company operates six branches in Ontario and Western Canada in addition to head office in Toronto, where a branch is also operated. Shares of the company are listed on the Toronto Stock Exchange.

Earnings of the company have been fairly well maintained, but dividend has just been reduced to an annual basis of 8 per cent from the 10 per cent previously paid.

Officers—Hon. N. W. Rowell pres.; T. Bradshaw, E. T. Malone, vice-pres.; W. G. Watson, gen. mgr.; H. M. Forbes, asst. gen. mgr.; T. J. Maguire, mgr. Toronto office; J. W. Burgess, sec.; C. E. Robin. trust officer; H. B. Morphy, supt. stock and bond dept.; C. W. Nicholson, compt.; J. Lang, act. state mgr.; J. H. A. Burt, J. W. Langmuir and H. W. Johnston, asst. secs.

Directors—Hon. N. W. Rowell, C. S. MacDonald, E. T. Malone, A. Fasken, Victor Ross, Col. J. F. Michie, H. H. Williams, T. Bradshaw, W. L. Matthews, A. H. Campbell, F. B. Hayes, S. J. Moore, W. W. Near, A. Matthews, A. E. Phipps, C. S. MacInnes, W. G. Watson, T. A. Russell, all of Toronto; Hon. A. C. Hardy, Brockville, Ont.; Hon. C. McCrea, Sudbury, Ont.; Hon. Sir D. H. McMillan, Isaac Pitblado, Winnipeg; A. Maclaren, Buckingham, Que.; P. J. Myler, Hamilton, Ont.

Branch Offices—Montreal, Ottawa, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Vancouver, Toronto.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned per sh.† %
1928	2,500,000	397,731	12	15.91
1929	3,000,000	470,029	12	15.66
1930	3,000,000	456,230	12	15.21
1931	3,000,000	398,507	12	13.28
1932	3,000,000	341,871	10.50	11.40

*After all management expenses, directors' fees, advertising, rents, income tax reserve, and all other charges or contingencies.

†Before appropriations for premises and equipment.

Dividend rate reduced from 10% to 8%, Apr. 1, 1933.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	15,429,597	160,365,995	3,100,000
1929	15,877,545	172,507,039	3,750,000
1930	21,736,784	192,103,799	3,750,000
1931	24,006,578	194,798,158	3,750,000
1932	24,214,608	193,623,941	3,000,000

Trust & Loan Co.

Montreal

Trust & Loan Co. of Canada, Montreal, was incorporated in 1843 in Canada and by Royal Charter in 1845 so that the company is the oldest one in Canada loaning money on first mortgage securities. Assets at March 31, 1932, the end of the last fiscal year, totalled £4,414,829. Head office of the company is in London.

Officers and Directors—Col. the Hon. S. Peel, pres.; F. W. Stobart, vice-pres.; J. H. Newcomb, M. Balfour, R. C. Young, J. Campbell, C. Ralph Snowden, sec.

Officers in Canada—R. C. Young, commissioner, Montreal; J. Rogers, asst. commissioner, Winnipeg.

Earnings Record
Year Ended March 31

Year	Paid-up Capital £	Net Profits* £	Div. Rate %	Rate Earned %
1928	1,350,000	98,304	6	7.5
1929	1,350,000	86,299	6	6.3
1930	1,350,000	91,033	6	6.7
1931	1,350,000	76,480	5	5.6
1932	1,350,000	32,702	2	2.4

Year End. Mar. 31	Total Assets £	Reserve Funds £	Mtge. & Real Est. Loans £
1928	4,459,714	165,362	16,794,721
1929	4,371,345	152,131	17,009,249
1930	4,257,133	150,064	17,041,406
1931	4,447,244	147,605	17,044,195
1932	4,414,828	147,542	16,825,549

Trusts & Guarantee Co.

Trusts & Guarantee Co., Toronto, started business in 1897 and now has total assets of $43,110,842. Branches are operated in Brantford and Windsor, Ont., and Calgary. Net profit was lower in 1932 and dividend was reduced to 4 per cent. Total assets have shown an annual increase for many years.

Officers—J. J. Warren, pres.; W. D. Bell, vice pres.; E. B. Stockdale, vice-pres. and gen. mgr.; J. E. Robinson, sec.; R. S. Anderson, treas.; C. S. Hamilton, Toronto branch mgr.; H. A. Howard, Calgary branch mgr.; R. W. Roberts, Brantford branch mgr.; O. N. Birchard, Windsor branch mgr.

Directors—W. M. Archibald, Trail, B.C.; H. Begg, A. M. Ivey, D. J. McDougald, A. L. Smith, E. B. Stockdale, J. J. Warren, Toronto; W. D. Bell, Chesley, Ont.; H. A. Howard, Calgary; Col. S. C. Robinson, Walkerville; Col. E. Wigle, C. P. McTague, Windsor, Ont.

Calgary Advisory Board—P. T. Bone, R. W Ward, G. H. Webster, C. D. Taprell, Calgary, Alta.

Branch Offices—Toronto, Brantford, Windsor, Ont., Calgary.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	1,957,534	165,710	6	8.47
1929	1,974,228	165,883	6	8.40
1930	1,976,770	153,205	6	7.75
1931	1,977,587	129,883	6	6.57
1932	1,977,887	86,997	4	4.40

* After deducting cost of management, advertising, general expenses, salaries, directors' and auditors' fees and taxes.

Year	Guar. Account $	Estates under Adminis. $	Undiv. Profits $
1928	7,639,136	27,926,166	193,951
1929	7,352,898	29,753,838	219,884
1930	7,565,131	31,325,569	237,508
1931	7,489,546	33,092,451	158,404
1932	7,068,633	33,830,469	102,897

Union Trust Co.

Union Trust Co., Toronto, was incorporated in 1901 in Ontario. The company has shown continued growth of business, but earnings dropped sharply in 1931 and the dividend due January 3, 1933, was passed. No statement has as yet been made public for 1932 operations.

Officers—H. F. Gooderham, pres.; J. H. McConnell, vice-pres.; C. D. Henderson, gen. mgr.; N. S. Watt, sec.; G. E. Buchanan, treas.

Directors—H. F. Gooderham, J. H. McConnell, M.D., J. B. Laidlaw, M. L. Davies, J. H. Black, W. H. Smith, W. D. Steele, all of Toronto; T. W. Duggan, Brampton; Col. L. C. Raymond, Welland; H. G. Davidson.

Branch Office—Winnipeg.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned Per Sh. $
1928	1,000,000	114,298	7+1	11.42
1929	1,000,000	116,658	7+1	11.67
1930	1,000,000	110,051	7+1	11.01
1931	1,000,000	73,526	7	7.35

Dividend due Jan. 3, 1933, was passed. Last payment $1.25 Oct. 1, 1932.

* Taxes and amount for depreciation on equipment deducted.

Year	Guar. Accounts $	Estates Under Adminis. $	Total Reserves $
1928	4,703,723	8,309,810	700,000
1929	4,295,103	10,878,180	700,000
1930	4,041,930	11,816,037	700,000
1931	3,840,673	12,477,331	*700,000

* Includes $200,000 special reserve re mortgages and agreements in Western Canada, set aside during 1931.

Victoria Trust & Savings Co.

Victoria Trust & Savings Co., Lindsay, Ont., was originally incorporated in 1887 under the Ontario Building Societies Act, but later was permitted to do business outside of the county of Victoria and more recently received trust powers. Assets of the company totalled $8,619,039, largely in guarantee trust account, although estates under administration show steady increase in amount in recent years. Mortgages held by the company are principally on properties located in Ontario but about 14 per cent of the total is in Saskatchewan.

Officers—W. Flavelle, pres.; T. H. Stinson and H. J. Lytle, vice-pres.; C. E. Weeks, mgr.; N. Smale, asst. mgr.; G. H. Shipman, mgr.; Cannington.

Directors—W. Flavelle, H. J. McLaughlin, H. J. Lytle, J. B. Begg, W. Walden, Canon C. H. Marsh, T. H. Stinson, C. E. Weeks.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	800,000	130,347	9+1	16.29
1929	800,000	136,645	10	17.08
1930	800,000	127,801	10	15.97
1931	810,000	119,284	10	14.83
1932	810,000	99,351	10	12.26

*Reserve for federal taxes and amount written off premises deducted.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	5,964,421	277,241	700,000
1929	6,033,618	245,977	750,000
1930	6,217,330	481,279	800,000
1931	6,108,554	558,398	810,000
1932	6,114,561	756,447	800,000

Waterloo Trust & Savings Co.

Waterloo Trust and Savings Co., Waterloo, Ont., received an Ontario charter in 1913 as a loan company and later received trust powers. Assets total $13,014,027. Mortgage investments are chiefly on property in Ontario, although some is invested in Saskatchewan and Manitoba.

Officers and Directors—E. F. Seagram, pres.; F. S. Kumpf, C. M. Bowman, vice-pres.; P. V. Wilson, man. dir.; H. Knell, H. J. Sims, L. L. Lang, Kitchener; F. Halstead, W. L. Hilliard, T. W. Seagram, Waterloo; R. O. McCulloch, Galt, J. H. Gundy, Toronto; G. A. Dobbie, Galt; G. D. Forbes, Hespeler; P. R. Hilborn, Preston; T. Hilliard, Waterloo.

Branch Offices—Waterloo, Kitchener, Galt, Preston

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	750,000	99,762	7	13.30
1929	1,000,000	119,759	7	11.97
1930	1,000,000	122,764	7	12.27
1931	1,000,000	100,062	7	10.00
1932	1,000,000	†90,666	6½	9.07

*Income tax deducted.

†Before deducting amount written off for depreciation.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	6,378,799	1,546,219	300,000
1929	6,868,166	2,006,302	400,000
1930	7,503,039	2,331,474	450,000
1931	7,883,503	2,554,993	450,000
1932	7,828,638	3,493,138	*400,000

*Includes $200,000 investment reserve.

Western Trust Co.

Western Trust Co., Winnipeg, started business in 1906 with a federal charter and now has total assets of $4,677,045. Mortgages held are principally on Saskatchewan property and the substantial reduction in earnings during the past two years is a reflection of mortgage conditions in this province.

Officers—R. Johnston, pres.; C. A. Adamson, vice-pres. and man. dir.; A. I. Grierson, sec.

Directors—R. Johnston, C. A. Adamson, H. H. Smith, A. B. Adamson, W. J. Tupper, all of Winnipeg; G. R. Whitmore, Regina;

(Continued on page 14)

The Brockville Trust and Savings Company

Brockville, Ont., Canada

Capital Authorized	$1,000,000.00
Subscribed Capital	500,000.00
Paid-Up Capital	500,000.00
Reserve Fund	235,000.00
Investment Reserve	36,824.94
Undivided Profits	3,423.32

DIRECTORS

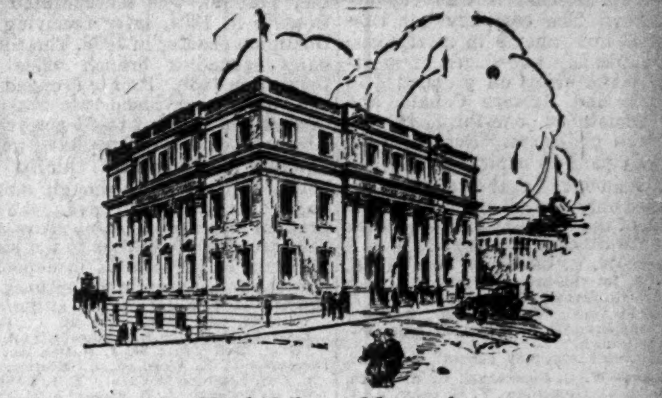
J. Gill Gardner, *President*

C. S. Cossitt, *Vice-President*

Adam Fullerton, F. H. Fulford, Rt. Hon. Geo. P. Graham, A. G. Parish, Hon. A. C. Hardy, Geo. T. Fulford, L. C. Dargavel

L. C. Dargavel, *Managing-Director*

E. J. Smith, *Secretary-Treasurer*



Head Office — Montreal

CREDIT FONCIER FRANCO-CANADIEN

Established in 1880

Capital and Reserves $27,839,000.00

Assets - - - $53,306,239.00

R. de Roumefort, *General Manager*

J. Theo. Leclerc, *Manager* — Marcel Pasquin, *Manager*

Armand Chevalier, *General Secretary*

Head Office, Montreal

Branches:

Quebec, Regina — Toronto, Edmonton — Winnipeg, Vancouver

ADMINISTRATION AND TRUST COMPANY

(Société d'Administration et de Fiducie)

Established 1902

EXECUTORS AND TRUSTEES

HON. SIR H. LAPORTE, *President*

J. THEO. LECLERC, *Managing Director*

Branches:

QUEBEC - WINNIPEG - REGINA - EDMONTON - VANCOUVER

HEAD OFFICE — MONTREAL

5, St. James St., East

THE ONTARIO LOAN AND DEBENTURE COMPANY

London - - Ontario

Incorporated and Established 1870

Capital $2,000,000 — **Reserve Fund $3,200,000**

Assets
(31st December, 1932)
$13,661,948.27

Surplus of Assets over Liabilities to the Public
$5,336,619.87

DIRECTORS:

Archibald McPherson, *President*

Thomas H. Main, *Vice-President*

Arthur T. Little
J. McClary Gunn
O. Roy Moore
Edward E. Reid

MANAGER: Thomas H. Main

Assistant Manager Joseph P. Dewan

4% PAID ON SAVINGS DEPOSITS
subject to withdrawal by cheque

5% DEBENTURES ISSUED

Interest payable half-yearly by coupons or, under accumulative debentures, may be left to accumulate at compound interest until maturity. The Company's Debentures are a legal investment for Trust Funds, which may also be deposited in the Company's Savings Department.

Offices: — **Dundas Street at Market Lane, and Market Square at Market Lane, London, Ontario**

Loan Companies

Can. Permanent Mtge. Corp.

Canada Permanent Mortgage Corp., Toronto, was originally incorporated in 1899 with a Dominion charter, but the history of the company extends back to 1855, when two terminable building societies were terminated and merged to form Canada Permanent Building & Savings Society. In addition to being one of the oldest Canadian loan companies it is also one of the largest, having added to its assets by acquiring other loan companies from time to time. In 1912, the company extended its activities by incorporating the Canada Permanent Trust Co., which is wholly owned. Branches are maintained from coast to coast.

Liabilities to the public include some $11,770,562 of sterling debentures, $28,560,194 of currency debentures and $14,608,179 of deposits. There has been a slight decline in sterling debentures outstanding in recent years, which is more than offset by increase in currency debentures. The company has substantial investments in mortgages, approximately two-thirds of mortgage loans being on properties in Ontario and Eastern Canada and the remaining one-third in the Western provinces. Reserve fund exceeds paid-up capital by $1,000,000. Amount of real estate held increased only a small amount in 1932. Stock of the company is listed on the Toronto Stock Exchange.

Officers—W. G. Gooderham, pres.; G. H. Smith, 1st vice-pres. and gen. mgr.; Col. A. E. Gooderham, 2nd vice pres.; *W. F. Watkins, sec.; *R. Henderson, inspector of branches; *C. S. Robertson, mgr., Ontario branch.

*Appointed assistant general managers.

Directors—W. G. Gooderham, G. H. Smith, Col. A. E. Gooderham, F. G. Osler, J. A. Rowland, F. S. Corrigan, W. Stone, Toronto; G. W. Allan, Winnipeg; A. B. Campbell, Edinburgh; N. Mackenzie, Regina.

Chief Office in Great Britain—36 Castle St., Edinburgh.

Branch Offices—Toronto, Winnipeg, Vancouver, Halifax, Saint John, N.B., Edmonton, Regina, Woodstock, Ont., Brantford, Ont.

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate Earned per sh.
1928	7,000,000	1,046,789	12	14.95
1929	7,000,000	1,058,271	12	15.12
1930	7,000,000	989,516	12	14.14
1931	7,000,000	913,928	12	13.06
1932	7,000,000	†888,559	12	12.68

†After deducting interest on borrowed capital, expenses of management, taxes, and making provision for possible losses and contingencies.

*Before deducting amount written off office premises, $55,746.

Dividend rate reduced from 12% to 10% per annum, Apr. 1, 1933.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	67,167,242	8,000,000	51,858,322
1929	66,656,017	8,000,000	51,128,826
1930	69,321,288	8,000,000	53,644,580
1931	73,260,893	8,000,000	57,510,257
1932	71,587,478	8,000,000	55,844,024

Capital Loan & Mortgage Co.

Winnipeg

Officers—W. L. Parrish, pres.; F. W. Leistikow, vice-pres.; J. A. Forlong, vice-pres. and man. dir.; E. C. McMurray, asst. mgr. and sec.-treas.

Directors—W. L. Parrish, F. W. Leistikow, J. A. Forlong, W. A. Irish, H. W. Bell, N. Heimbecker.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,695,782	200,000	946,009
1929	1,653,669	200,000	902,602
1930	1,570,915	200,000	812,527
1931	1,549,975	200,000	800,978

Latest figures available.

Central Canada Loan

Central Canada Loan & Savings Co., Toronto, was incorporated in Ontario in 1884, later receiving a Dominion charter in 1898. The company opened a branch office in Oshawa in 1930. Profits dropped in 1932 and the dividend rate has recently been reduced to $8 per year. Assets of the company have good liquidity and consist chiefly of bonds and stocks, although mortgage investments have shown gradual increase in recent years. Of the company's liabilities to the public some 77 per cent is in deposits and the remainder in debentures.

Officers—E. R. Wood, pres.; G. A. Morrow, vice-pres. and man. dir.; H. C. Cox, Leighton McCarthy, vice-presidents; A. B. Fisher, asst. mgr.; W. J. Hastie, sec.

Directors—E. R. Wood, G. A. Morrow, H. C. Cox, Leighton McCarthy, E. T. Malone, W. S. Hodgens, A. B. Fisher, A. H. Cox, F. P. Wood, F. McCarthy, all of Toronto; W. G. Morrow, Peterborough.

Branch Office—Oshawa, Ont.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	2,500,000	390,687	12+3	15.62
1929	2,500,000	453,150	12+3	18.13
1930	2,500,000	392,634	12+3	15.71
1931	2,500,000	335,359	12+2	13.41
1932	2,500,000	264,937	10½	10.60

Dividend rate reduced to $8 per annum, April 1, 1933.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	11,230,037	2,000,000	6,424,502
1929	11,225,366	2,100,000	6,341,681
1930	12,133,776	2,100,000	7,232,456
1931	11,308,857	2,100,000	6,447,178
1932	11,003,098	2,100,000	6,201,482

Credit Foncier

Montreal

Credit Foncier Franco-Canadien, Montreal, is one of the largest Canadian mortgage companies and was incorporated in 1880 under Quebec laws. In addition to head office in Montreal, branches are operated in Ontario and the Western provinces. Control of Holland-Canada Mortgage Co. was acquired in 1930.

Capital Paid-up—Fr. frs. 50,000,000 (carried as $9,647,667). Issued, 100,000 shares of Fr. frs. 500 par value.

Assets—	1931 $	1930 $
Mortgages	42,998,314	45,615,108
Other loans	3,210,484	3,344,802
Office premises	735,000	700,000
Cash and other	8,430,467	4,581,623
Total	55,374,266	54,241,534
Debent. Outstand.	20,856,384	18,342,316

Reserves and Earnings Record

Year	Reserves	Net profits	Div. paid per sh.
1885	$ 9,165	$ 42,830	$ *5.50
1895	237,121	110,122	*8.00
1905	401,363	155,637	*12.00
1915	3,358,534	541,397	*27.50
1925	16,859,743	1,845,703	*360.00
1926	16,952,565	1,849,736	*375.00
1927	17,144,605	1,834,483	*375.00
1928	17,448,245	1,912,767	*375.00
1929	17,667,446	1,939,607	*390.00
1930	17,808,630	1,942,809	*390.00
1931	18,086,704	1,690,544	*340.00

*Fr. Frs.

Directors—J. E. Moret, pres., Paris; Hon. Sir H. Laporte, vice-pres., Montreal; A. Benac, Paris; Comte Ch. Cahen d'Anvers, Comte de Camondo, Martial Chevalier, A. Denfert-Rochereau, Paris; Hon. R. Lemieux, Montreal; R. Masson, Paris; F. Perry, Montreal. Censors: Paul Amos, E. de la Longuiniere, J. Mignot.

Officers—Vicomte R. de Roumefort, gen. mgr.; J. T. Leclerc, mgr.; Marcel Pasquin, mgr.; Armand Chevalier, gen. sec., Montreal; J. M. Vale, mgr. Toronto.

Latest figures available.

Crown Savings & Loan Co.

Crown Savings Co., Petrolia, originally incorporated in 1877. Net profits showed some increase in 1932 after declining in 1931. Liabilities to the public are chiefly in currency debentures and all of the company's mortgage loans are on properties located in Ontario.

Officers and Directors—F. W. Mulligan, pres.; W. B. Smith and J. Hamilton, vice-presidents; C. Egan, mgr.; D. Wright, K. C. Kerr, F. J. McMahen, J. McGill.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	241,050	22,311	6½	9.2
1929	241,050	20,549	6½	8.1
1930	241,050	15,275	6½	6.3
1931	241,050	11,270	5½	4.6
1932	241,050	13,146	5½	5.4

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	776,044	128,000	401,419
1929	736,825	132,000	384,890
1930	719,262	120,000	347,885
1931	709,509	120,000	341,325
1932	658,657	80,000	330,585

La Compagnie Foncier de Manitoba

Winnipeg

Officers—M. J. A. M. De La Giclais, pres.; H. Chevrier, vice-pres.; A. Griveau, sec. treas.

Directors—M. J. A. M. De La Giclais, H. Chevrier, L. De Galembert, Marquis De Polignac, G. H. Griffin, C. H. Bethmont, Henri Motte, B. E. Chaffey, T. Turnbull.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned Per Sh. %
1928	600,000	23,000	4	4.1
1929	600,000	14,027	3	2.3
1930	600,000	6,919	1	1.1
1931	600,000	1,759	..	0.2

* Less directors' remuneration.

Year	Total Assets $	Reserve Funds $	Mortgage and Real Estate Loans $
1928	931,253	27,376	334,318
1929	908,037	28,204	298,004
1930	775,452	28,724	240,078
1931	770,146	28,819	231,745

Latest figures available.

Debenture Co. of Canada

Regina

Debenture Co. of Canada, Regina, has experienced a sharp drop in net profits within the last three years, but has no liabilities to the public and has increased liquid position to some extent. The company deals principally in tax sales certificates.

Officers—A. B. McGill, pres. and man. dir.; J. F. Johnston, vice-pres.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned per sh.† $
1928	480,018	51,333	10	12.2
1929	512,071	55,717	8	11.7
1930	534,723	11,422	6	2.2
1931	545,734	8,837	3	1.6
1932	548,895	2,011	..	‡0.4

†On average capital. ‡On paid-up capital
*Less income tax.

Year	Total Assets $	Reserve Funds $	Tax Sale Certificates $
1928	650,698	40,000	358,088
1929	761,929	55,000	512,569
1930	831,273	60,000	533,200
1931	734,210	60,000	392,891
1932	778,393	60,000	304,073

Company has no liabilities to the public.

Eastern Canada Savings & Loan

Eastern Canada Savings & Loan, Halifax, operates under Dominion charter originally secured in 1887. Reserve for depreciation on stocks and real estate was increased to $76,221, from $35,000 in 1932. Dividends continue to be earned by a good margin.

Officers—Hon. W. A. Black, pres.; O. E. Smith, vice-pres.; J. A. Clark, mgr.; G. W. Hazen, asst. mgr.

Directors—Hon. W. A. Black, O. E. Smith, J. A. Clark, A. E. Silver, D. E. North.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	750,000	83,542	8	11.13
1929	750,000	83,814	8	11.17
1930	750,000	86,000	8	11.46
1931	750,000	99,295	8	13.23
1932	750,000	82,841	8	11.04

*Less taxes and depreciation on office buildings, etc.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	3,337,265	345,000	2,196,120
1929	3,544,974	375,000	2,410,079
1930	4,135,357	400,000	2,973,295
1931	4,517,887	400,000	3,315,101
1932	4,420,348	354,200	3,222,660

East Lambton Farmers Loan & Savings

East Lambton Farmers Loan & Savings Co., Forest, Ont., was originally incorporated in 1887 and has a long record of successful operation. Net profits in 1932 were higher than in the three preceding years, but reserve was reduced to provide for depreciation and loss on securities.

Officers—J. N. Douglas, pres.; J. McE. Shaw, vice-pres.; D. Whyte, mgr.

Directors—J. N. Douglas, J. McE. Shaw, C. A. Douglas, T. F. Cairns, W. Scott, all of Forest; R. S. Jardine, Camlachie; G. L. Bailey, Watford; A. Williamson, Wyoming.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	261,530	27,093	6+1	10.5
1929	262,600	*20,295	6+1	7.7
1930	262,600	*20,381	6+1	7.7
1931	262,600	*18,815	6	7.1
1932	262,600	21,030	6	8.0

*After deducting income and corporation tax reserve, for 1932, $3,000; 1931, $2,100; 1930, $1,900.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	883,052	108,000	497,229
1929	901,661	110,000	510,727
1930	892,408	112,000	497,750
1931	873,345	113,000	489,723
1932	765,113	69,112	425,287

Empire Loan Co.

Empire Loan Company, Winnipeg, has been in operation for 30 years, but has experienced reduced earnings in the past three years and had a loss on operations in 1932. The company has only $26,916 of debentures outstanding and liabilities to the public consist chiefly of prior mortgages.

Officers—C. M. Simpson, pres.; W. F. Hull, vice-pres.; S. T. Jones, sec.-treas.

Directors—C. M. Simpson, W. F. Hull, J. Douglass, T. R. Slagsvol, O. C. Feetham.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	638,386	17,248	..	2.70
1929	638,386	17,980	..	2.81
1930	638,386	13,109	..	2.05
1931	638,386	9,633	..	1.51
1932	638,386	*4,406	..	....

*Loss.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	687,637	14,884	34,367
1929	692,782	14,884	34,420
1930	711,220	14,884	47,967
1931	804,442	....	155,495
1932	797,944	....	156,035

Guelph & Ontario Investment & Savings Society

Guelph & Ontario Investment & Savings Society, Guelph, Ont., was incorporated in 1876, largely confines its operations to Guelph and district and has shown marked stability in earnings. The Society controls Guelph Trust Co.

Officers—G. D. Forbes, pres.; J. R. Howitt, 1st vice-pres.; W. E. Phin, 2nd vice-pres.; J. M. Purcell, man. dir.

Directors—G. D. Forbes, J. R. Howitt, W. E. Phin, J. R. Phin, J. J. Shaw, J. M. Purcell, R. L. Torrance, J. Armstrong.

Earnings Record.

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	965,080	108,815	4	5.63
1929	965,080	112,226	4	5.84
1930	965,080	112,600	4	5.81
1931	965,080	100,213	4	5.20
1932	965,080	100,389	3.75	5.20

*Less taxes.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	5,168,991	869,435	3,244,915
1929	5,172,505	869,435	3,243,410
1930	5,279,621	869,435	3,350,132
1931	5,332,654	869,435	3,415,138
1932	5,301,507	869,435	3,385,829

Home Bldg. & Savings

Ottawa

Home Building and Savings Association was originally incorporated in 1887 and is one of three Ontario companies which have terminating stock.

Officers—W. M. Ross, pres.; T. E. Clendinnen, vice-pres.; A. H. Fitzsimmons, mgr.

Directors—W. M. Ross, T. E. Clendinnen, R. A. Sproule, G. L. Snelling, S. G. Metcalfe, Dr. D. C. McLaren.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	60,303	1,505	..	2.4
1929	53,487	1,336	..	2.4
1930	45,184	1,204	..	2.6
1931	46,850	1,196	..	2.5

Year	Total Assets $	Reserve Funds $	Mortgage and Real Est. Loans $
1928	129,059	......	86,211
1929	111,063	7,240	73,854
1930	100,764	7,565	69,812
1931	100,510	5,884	64,519

Latest figures available.

Home Investment Co.

Home Investment & Savings Association, Winnipeg, was established in 1892. Liabilities to the public are evenly balanced between debentures and deposits. Over 60 per cent of the company's investments and mortgages are loans on city properties.

Officers—M. F. Christie, pres.; J. L. Bathgate, vice-pres.; W. E. Hobson, man. dir.; P. M. Bull, asst. mgr.; W. E. Nicholls, sec.

Directors—M. F. Christie, J. L. Bathgate, G. W. Allan, R. J. Gourley, W. A. Matheson, E. H. Bennest, J. A. Flanders, W. E. Hobson, all of Winnipeg.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	994,322	72,013	4	7.24
1929	995,923	71,144	5	7.14
1930	996,325	63,306	5	6.35
1931	996,400	53,056	4	5.32
1932	996,400	41,597	3	4.17

Dividend passed Jan. 3, 1933.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	2,271,167	500,000	673,681
1929	2,287,143	500,000	721,708
1930	2,251,342	500,000	700,971
1931	2,167,216	500,000	623,489
1932	2,057,999	500,000	551,039

Hudson Bay Mtge. Co.

Vancouver

Hudson Bay Mortgage Co., Vancouver, B.C., was incorporated in British Columbia in 1926 to take over the Hudson Bay Mortgage Corp., which was originally incorporated in 1911. Dividends were omitted in 1932.

Officers and Directors — J. R. Seymour, pres.; A. Gonnason, vice-pres.; S. B. Smith, sec. and treas.; T. S. Annandale, R. Dowswell, D. Robertson.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* $	Rate Earned %
1928	102,720	5,097	70c	4.9
1929	102,720	4,837	70c	4.7
1930	102,720	4,828	70c	4.7
1931	102,720	4,915	70c	4.8
1932	102,720	4,412	...	4.3

*Paid on $62,200 of 7% preferred shares, par $10.

Year	Total Assets $	Reserve Funds $	Mtge. & Real Est. Loans $
1928	110,803	2,282	93,210
1929	112,469	3,464	96,650
1930	112,890	3,464	96,200
1931	113,426	3,439	97,100
1932	117,838	3,439	93,367

Company has no liabilities to the public.

Huron & Erie Mtge.

Huron & Erie Mortgage Corp., London, Ont., was incorporated in Ontario in 1864 and is one of the oldest and largest of Canadian loan companies. Liabilities to the public consist chiefly of currency debentures, of which there is $27,726,740 outstanding, while deposits total $9,327,304. Liabilities to the public showed some reduction in 1932, owing to withdrawals of deposits due to unemployment conditions in London.

The company has established substantial reserves against investments, which consist largely of mortgages on property located in Ontario and Western Canada. In 1932, the company substantially improved its liquid position. Stock of the company is listed on the Toronto Stock Exchange. The company has outstanding 40,000 fully paid shares of $100 par value and 50,000 shares on which 20 per cent is paid up.

Officers—T. G. Meredith, pres.; Maj.-Gen. Hon. S. C. Mewburn, vice-pres.; M. Aylsworth, gen. mgr.; D. McEachern, sec.; C. J. Clarke, treas.; H. W. Givins, supt. of Western branches; R. H. Cronyn, asst. sec.; R. P. Baker, invest. exec.

Directors — T. G. Meredith, chm.; Hume Cronyn, M. Aylsworth, H. E. Gates, G. H. Belton, N. R. Howden, Col. I. Leonard, V. P. Cronyn, London, Ont.; Maj.-Gen. Hon. S. C. Mewburn, Hamilton, Ont.

Branch Offices—London, Ont. (4); Toronto, Hamilton, St. Thomas, Windsor, Chatham, Winnipeg, Regina, Edmonton, Victoria and Vancouver.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	5,000,000	490,712	8	9.81
1929	5,000,000	507,088	8	10.14
1930	5,000,000	511,615	8	10.23
1931	5,000,000	400,490	8	8.01
1932	5,000,000	404,724	8	8.09

*After management expenses and all other charges, taxes, provision for actual losses, and amount written off office premises of $25,000 in 1932; $50,000, 1931; $25,000, 1930; $23,508, 1929 and $15,083 in 1928.

Dividend rate reduced from 8% to 7% per annum, April 1, 1933.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	43,222,135	2,600,000	35,455,717
1929	43,918,042	2,700,000	36,039,536
1930	47,090,877	2,800,000	39,105,756
1931	47,806,697	2,800,000	39,821,086
1932	47,028,715	2,800,000	39,038,380

International Loan Co.

Winnipeg

Officers—H. F. M. Ross, M.A., pres.; A. Wishart, vice-pres.; G. W. Argue, M.D., man. dir.; C. Dick, M.A., LL.B., sec.-treas.

Directors—G. W. Argue, H. F. M. Ross, J. H. Campbell, J. Hall, J. G. Schill, B. M. Gunn, LL.B., A. Wishart, J. E. Burns, W. J. Wade, C. Dick.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	766,794	34,103	3	5.2
1929	823,832	28,976	3	3.9
1930	855,163	†30,921	3	3.8
1931	877,445	†22,090	3	2.6
1932	894,503	......	..	...

†After income tax and depreciation.

Year	Total Assets $	Reserve Funds $	Mortgage and Real Est. Loans $
1928	927,479	157,857	925,103
1929	1,004,483	179,411	975,730
1930	1,051,636	193,872	1,021,481
1931	1,084,457	204,460	1,074,426
1932	1,083,789	189,286	1,079,075

Company has no liabilities to the public.

Investment Corp. of Canada

London, Eng.

Investment Corp. of Canada has head office in London, Eng. Control was acquired by Power Investment Corp. in 1929 and several prominent Canadians are now on the board of directors. Net profits dropped sharply in 1932.

Directors—A. P. Holt, chm.; A. J. H. Smith, deputy chm.; J. H. Gundy, N. E. Holden, Sir H. S. Holt, A. D. Emory.

Canadian Committee of the Board—Sir H. S. Holt, J. H. Gundy, A. D. Emory, Canadian mgr., Montreal.

Earnings Record

Year End. Apr. 30:	Paid up Capital† £	Net Profits‡ £	Div. Rate Pfd. £
1928	500,000	17,532	4½
1929	500,000	*4,402	4½
1930	500,000	24,770	4½
1931	500,000	16,674	4½
1932	500,000	4,022	...

*Loss.

†Capital consists of £300,000 4½ per cent preferred and £200,000 ordinary.

‡After deducting loss in mortgages, etc. and interest on debenture stock.

Year	Total Assets £	Reserve Funds £	Investments in Real Estate £
1928	790,760	40,811	188,082
1929	791,219	23,137	125,383
1930	830,870	23,137	91,298
1931	874,548	20,803	79,782
1932	874,156	20,873	76,596

Lambton Loan & Investment Co.

Lambton Loan & Investment Co., Sarnia, Ont., is the oldest of Ontario loan companies, with a history extending back to 1847.

Officers—N. S. Gurd, pres.; Col. R. Mackenzie, vice-pres.; J. M. Hunt, mgr.

Directors—N. S. Gurd, Col. R. Mackenzie, C. H. Belton, A. J. Johnston, all of Sarnia; T. D'Arcy McGuire, Wallaceburg; A. G. Minielly, Watford; B. W. Fansher, Florence; H. Fraleigh, Forest.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	789,750	109,176	10+2	13.8
1929	789,750	100,726	10+2	12.7
1930	789,750	95,160	10+2	12.0
1931	789,750	83,574	10	10.5
1932	789,750	67,384	8½	8.5

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	5,118,310	950,000	3,294,250
1929	5,097,828	950,000	3,267,812
1930	4,928,824	950,000	3,092,917
1931	4,744,577	950,000	2,950,366
1932	4,623,844	*950,000	2,837,275

*Includes $150,000 general investment reserve.

Midland Loan & Savings

Midland Loan & Savings Co., Port Hope, Ont., was originally incorporated in Ontario under the Building Societies Act in 1872. The company has shown marked stability in earnings, although there was some drop in net profits in 1932. Mortgage loans are entirely on properties in Ontario. In 1932, the company celebrated its 60 years of business by paying a bonus of 1 per cent.

Officers—S. R. Caldwell, pres.; F. Rosevear, vice-pres.; W. J. Helm, mgr.

Directors—The above and A. M. Westington, W. H. Symons.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	360,000	57,338	8+2	15.9
1929	360,000	60,440	8+2	16.7
1930	360,000	60,632	10+2	16.8
1931	360,000	60,647	10+2	16.8
1932	360,000	55,321	10+1	15.3

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	2,856,324	450,000	1,989,132
1929	3,020,094	465,000	2,128,458
1930	3,166,156	480,000	2,250,790
1931	3,293,485	480,000	2,395,457
1932	3,341,148	480,000	2,454,673

Landed Banking & Loan

Landed Banking Loan Co., Hamilton, Ont., was incorporated in 1876. Mortgage investments are principally on properties in Hamilton and surrounding districts and in Manitoba. Liabilities to the public are chiefly in the form of savings deposits. Net earnings have declined in the last four years.

Reserve was written down by $50,000 to provide for depreciation on mortgages in 1932. The stock is listed on the Toronto Stock Exchange.

Officers—C. S. Scott, pres.; P. J. Myler, vice-pres.; H. M. Patterson, mgr.

Directors—C. S. Scott, P. J. Myler, A. V. Young, C. Mills, R. R. Bruce, Hon. G. Lynch-Staunton, all of Hamilton.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928	1,000,000	120,269	10	12.03
1929	1,000,000	105,811	10	10.58
1930	1,000,000	91,635	10	9.16
1931	1,000,000	92,202	8	9.22
1932	1,000,000	78,792	8	7.87

*After deducting interest, expenses and charges, and making provision for possible losses and contingencies and reserve for taxes.

Dividend rate reduced from 8% to 6% per annum, April 1, 1933.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	4,507,651	1,180,000	2,272,364
1929	4,370,305	1,180,000	2,144,206
1930	4,295,680	1,038,734	2,219,212
1931	4,250,170	1,025,535	2,189,699
1932	4,016,048	965,884	2,016,436

Montreal Loan & Mortgage Co.

Montreal Loan & Mortgage Co., Montreal, was incorporated in Quebec in 1875 and has shown marked stability in net profits in recent years. Liabilities to the public are chiefly in the form of currency debentures and special deposits amount to less than paid-up capital,

(Continued on page 15)

TRUST COMPANIES

Western Trust Co.

(Continued from page 13)

W. P. Fess, Toronto; J. H. Lane, Huronville, Sask.

Branch Offices — Regina, Saskatoon, Edmonton.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	1,005,000	76,873	4	7.64
1929	1,005,000	87,244	5	8.68
1930	1,005,000	75,629	5	7.52
1931	1,005,000	45,317	5	4.50
1932	1,005,000	†5,198	2.50	0.51

*After provision for income tax.

†Before deducting balance of income tax to Jan. 1, 1932, $1,556.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	741,801	9,054,585	250,000
1929	838,902	8,627,058	350,000
1930	838,045	7,805,796	350,000
1931	835,378	7,104,090	400,000
1932	809,178	5,714,787	400,000

Winnipeg Trustee Co.

Officers and Directors—M. J. A. M. De La Giclais, pres. and man. dir.; Dr. J. McKenty, vice-pres.; H. Chevrier, Hugo Carstens, J. De Froment, B. E. Chaffey, A. Griveau, sec.-treas.

Earnings Dividend

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	155,034	8,660	5.5	4
1929	155,476	1,831	1.1	..
1930	155,476	1,918	1.2	..
1931	155,476	2,989	1.9	..

Year	Guar. Accounts $	Estates Under Adminis. $	Total Reserves $
1928	170,235	3,812,930	20,000
1929	170,235	4,300,615	22,757
1930	176,514	4,066,613	22,330
1931	152,369	3,880,964	22,330

Latest figures available.

MONTREAL TRUST COMPANY
ESTABLISHED 1889

Montreal
Winnipeg Edmonton
St. Johns, Nfld.

Toronto
Halifax Vancouver
London, Eng.

BOARD OF DIRECTORS
SIR HERBERT S. HOLT, - - - President
HON. A. J. BROWN, K.C., Vice-President
F. G. DONALDSON, - General Manager
ROBERT ADAIR — WM. MOLSON MACPHERSON
J. E. ALDRED — A. D. MACTIER
WILLIAM F. ANGUS — C. B. McNAUGHT
GEORGE CAVERHILL — JOHN C. NEWMAN
W. H. COVERDALE — J. S. NORRIS
HON. R. DANDURAND — HUGH PATON
G. H. DUGGAN — F. W. ROSS
A. E. DYMENT — PAUL F. SISE
ANDREW P. HOLT — JULIAN C. SMITH
GORDON W. MacDOUGALL, K.C. — MORRIS W. WILSON
HON. SMEATON WHITE

61 YONGE ST., TORONTO
HEAD OFFICE
511 PLACE d'ARMES, MONTREAL
PAID-UP CAPITAL AND RESERVE $4,500,000

A SAFE EXECUTOR FOR YOUR WILL

The Royal Trust Company

Executors, Administrators, Trustees, Investment Agents, Transfer Agents, Trustees for Bondholders, Safe Custodians, etc.

The extent of the Estate and Trust business administered by this company is shown in the Table of Investments of the trust companies published elsewhere in this issue.

SIR CHARLES GORDON, G.B.E., *President*
HUNTLY R. DRUMMOND, *Vice-President*
R. P. JELLETT, *General Manager*

105 St. James Street, Montreal - 59 Yonge Street, Toronto

Branches
CALGARY — HAMILTON — ST. JOHN'S, NFLD. — VICTORIA
EDMONTON — OTTAWA — TORONTO — WINNIPEG
HALIFAX — QUEBEC — VANCOUVER — LONDON, ENG.
SAINT JOHN, N.B.

Head Office - Montreal

ASSETS UNDER ADMINISTRATION EXCEED $626,000,000

A COMPLETE TRUST SERVICE

Executor or Trustee Under Will . . . Administrator, Trustee, Agent or Depositary under written agreement.
Fiscal Agent for Individuals, Corporations, Trustees, Guardians, Executors or Administrators.
Custodians for the care and safeguarding of securities.
Depositary for your savings, paying interest at 4 per cent. compounded quarterly, subject to cheque withdrawal . . . Transfer Agent or Registrar of stock . . . Registrar of Bonds . . . Trustee under Bond Mortgage.

CHARTERED TRUST AND EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.

President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. — JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

CENTRAL CANADA LOAN AND SAVINGS COMPANY

BOARD OF DIRECTORS
President:
E. R. WOOD
Vice-President, Canadian Bank of Commerce
Vice-Presidents:
G. A. MORROW — President, Imperial Life Assurance Company
H. C. COX — Chairman of the Board Canada Life Assurance Company
LEIGHTON McCARTHY, K.C. — President, Canada Life Assurance Company
W. G. MORROW — Vice-President and Managing Director Toronto Savings and Loan Company
E. T. MALONE, K.C. — Vice-President Toronto General Trusts Corporation
A. B. FISHER — Vice-President Canadian Real Estate Company, Limited
W. S. HODGENS — Director General Steel Wares Limited
A. H. COX — President Provident Investment Company
FRANK P. WOOD — President Burlington Steel Company, Limited
FRANK McCARTHY, K.C. — Member Legal Firm of Messrs. McCarthy and McCarthy

OFFICERS
G. A. MORROW — Managing Director
A. B. FISHER — Assistant Manager
W. J. HASTIE — Secretary

Head Office TORONTO — Established 1884 — Branch Office OSHAWA

THE TORONTO MORTGAGE CO.
13 TORONTO ST., TORONTO
THOMAS H. WOOD, President — A. M. M. KIRKPATRICK, Vice-President
WALTER GILLESPIE, Manager

Present Cash Value of Total Assets - - $5,014,000.00
Surplus, Over all Liabilities to Public - - $2,270,000.00

4% *Allowed on Savings Deposits, Withdrawable by Cheque.*
5% *Paid on Debentures in all Denominations for two to five years.*
LEGAL INVESTMENT FOR TRUST FUNDS

First Mortgage Money to loan on modern solid brick dwellings, in good residential districts. Prompt service.

"Older than the Dominion of Canada"

The Huron & Erie MORTGAGE CORPORATION

The CANADA TRUST COMPANY
(Under Huron & Erie management and control)

DEPARTMENTS
Savings Deposits — Debentures
Guaranteed Mortgage Certificates
Guaranteed Passbook Certificates
Safe Deposit Vaults — Mortgage Loans
Executor — Trustee — Administrator
Trustee under Living Trusts and Life Insurance Trusts
Guardian of Infants' Estates
Committee of Incompetent Persons' Estates

Head Offices — London, Ontario
Branches in Six Provinces

LOAN COMPANIES

Montreal Loan & Mtge. Co.

(Continued from page 14)

while reserve fund is 150 per cent of paid-up capital. Chief assets of the company is mortgages on real estate. The stock is listed on the Montreal Stock Exchange.

Officers—G. Caverhill, pres.; W. E. Bolton, vice-pres.; R. A. Kydd, mgr.

Directors—G. Caverhill, W. E. Bolton, H. Raine, G. R. Caverhill, W. B. Blackader, all of Montreal.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	*Rate Earned per sh. $
1928	600,000	87,056	3+.25	3.62
1929	600,000	87,526	3+.25	3.65
1930	600,000	87,993	3+.25	3.67
1931	600,000	88,109	3+.25	3.67
1932	600,000	79,641	3+.25	3.32

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	2,008,487	900,000	468,378
1929	2,066,061	900,000	516,426
1930	2,164,541	900,000	604,913
1931	2,127,910	900,000	558,173
1932	2,140,544	900,000	569,166

Mortgage Corp. of N. S.

Halifax

Mortgage Corp. of Nova Scotia, Halifax, started business in 1901 under a Dominion charter. Net profit has been maintained well in excess of current dividend rate of $7 per share.

Officers and Directors—A. H. Whitman, pres.; A. MacKinlay, vice-pres.; C. R. Chipman, man. dir.; N. Mitchell, J. R. Corston.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned $
1928	680,000	64,800	6	9.53
1929	680,000	66,800	6	9.82
1930	680,000	68,921	6	10.13
1931	680,000	76,050	7	11.18
1932	680,000	73,214	7	10.76

*After all cost of management, interest, taxes and directors' remuneration.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,872,728	242,000	598,089
1929	1,981,319	267,000	659,574
1930	2,128,781	292,000	808,721
1931	2,218,393	312,000	868,672
1932	2,205,791	330,000	851,938

Niagara Falls Bldg. Savings Loan

Niagara Falls Building, Savings & Loan Association, Niagara Falls, Ont., was originally incorporated in 1887 and operations of the company are limited to the County of Welland. This is one of three terminable stock companies remaining in operation in Ontario.

Officers—J. Muir, pres.; J. Harriman, vice-pres.; B. M. Benson, sec.-treas.

Directors—W. W. Robertson, J. Muir, J. Harriman, W. S. Byers, Dr. J. H. McGarry, F. W. Swannell, Jos. Cadham, B. M. Benson.

Earnings Record

Year	Total Assets $	Reserve Funds $	Mortgage and Real Est. Loans $
1928	2,274,482	89,931	22,708
1929	2,519,735	98,000	2,516,280
1930	2,707,909	97,000	2,704,390
1931	2,646,509	97,000	2,583,230

Latest figures available.

Northern Mortgage Co.

Northern Mortgage Co. of Canada, Winnipeg, is in process of liquidation but due to prevailing conditions, realization on assets has been slow. Since liquidation started $36 per share has been paid, leaving capital at $14 per share, of which $5 is permanent and $9 is distributable when realized.

Officers and Directors—R. T. Riley, pres.; N. J. Breen, and P. C. Shepherd, vice-pres.; J. H. Riley, mgr.; C. R. Vincent, sec.; G. W. Allan, W. H. Malkin, Capt. W. Robinson, C. S. Riley, F. W. Stobart, J. H. Turnbull, D. K. Elliott.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	150,000	73,389	2	2.4
1929	150,000	20,197	1	...
1930	150,000	12,541	50c	...
1931	150,000	*6,213	.	...
1932	150,000	*7,877	.	...

*Loss.

Year	Total Assets $	Reserve Funds $	Mtge. & Real Est. Loans $
1928	1,473,390	300,000	732,420
1929	978,699	300,000	445,322
1930	806,565	300,000	381,725
1931	758,309	300,000	294,788
1932	757,048	307,503	260,714

Company has no liabilities to the public.

Northern Canadian Mortgage Co.

Winnipeg

Northern Canadian Mortgage Co., Winnipeg, has experienced a sharp reduction in net profits. The company has no liabilities to the public.

Officers—E. Cass, pres.; G. W. Northwood, vice pres. and man. dir.; J. H. Peace, sec.

Directors—E. Cass, G. W. Northwood, W. T. Gwyn, A. L. Denison, T. L. Hartley.

Earnings Record
(Year Ended March 31)

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned $
1928	638,603	35,652	2.50	2.79
1929	650,851	41,683	2.50	3.20
1930	671,435	36,596	2.50+*1.50	2.73
1931	448,873	‡207,695	....	....
1932	458,776	17,094	§1.12½	†..

*Regular payment of 5% plus initial half-yearly payment of 3%.
†After deduction of full year's dividend on preferred.
‡Deficit. §On preferred.

Year	Total Assets $	Reserve Funds $	Mtge. & Real Est. Loans $
1928	756,383	20,000	364,605
1929	783,896	20,000	529,562
1930	729,854	....	560,741
1931	732,496	....	497,061
1932	729,688	....	454,628

Company has no liabilities to the public.

North of Scotland Canadian Mortgage Co.

North of Scotland Canadian Mortgage Co. was originally incorporated in 1875 and at May 16, 1932, had total assets of £1,829,508. Head office of the company is in Aberdeen, Scotland, but chief income is derived from mortgage loans on Canadian property. Earnings fell off sharply in the year ended May 16, 1932.

Officers—Col. G. Milne, chm., Osler, Hammond & Nanton, gen mgrs. in Canada; W. Johnston, sec., Scotland.

Directors—Col. G. Milne, Rt. Hon Earl of Caithness, A. Davidson, G A Duff, G. Robb, Aberdeen; General advising board in Canada; D. H. Laird, and D. C. Coleman, Winnipeg.

Earnings Record

Year End. May 15	Paid-up Capital £	Net Profits £	Div. Rate %	Rate Earned Per Share %
1928	276,000	57,001	15	20.6
1929	276,000	64,082	15	23.2
1930	276,000	64,350	15	23.3
1931	276,000	56,116	10	20 3
1932	276,000	5,355	2½	1 9

Year	Total Assets (In Canada) £	Reserve Funds £	Mortgages on Real Estate (In Canada) £
1928	1,900,671	395,000	1,664,623
1929	1,910,945	400,000	1,726,169
1930	1,934,887	400,000	1,822,000
1931	1,882,365	400,000	1,756,257
1932	1,811,568	300,000	1,662,373

Nova Scotia Savings,

Nova Scotia Savings, Loan & Building Society, Halifax, was established in 1850 and its operations are chiefly in Nova Scotia, although some mortgage loans are made in New Brunswick. Liabilities to the public are chiefly in the form of currency debentures. The company is purely a mutual society and does not issue stock.

Officers — Hector McInnes, pres.; A. B. Wiswell, vice-pres.; W. H. Morrow, sec. and treas.

Directors—H. McInnes, A. B. Wiswell, H. Oxley, Hon. J. F. Fraser, W. Mitchell.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	2,366,854	252,000	849,679
1929	2,479,984	268,000	853,529
1930	2,843,238	284,000	1,089,370
1931	3,115,588	305,000	1,231,210
1932	3,140,758	305,000	1,328,127

Ontario Loan & Debenture Co.

Ontario Loan & Debenture Co., London, Ont., was incorporated in 1870. Net earnings have shown marked stability at around $300,000 per year for the past 12 years. The company has a good liquid position and mortgage investments are chiefly on city residences in Ontario, while provisions has been made over a period of years for possible losses on farm loans made by the company in Western Canada.

Officers—A. McPherson, pres.; T. H. Main, vice-pres. & mgr.; J. P. Dewan, asst. mgr.; F. E. A. McKellar, accountant.

Directors—A. McPherson, A. T. Little, T. H. Main, J. McClary Gunn, O. R. Moore, E. E. Reid, all of London, Ont.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate %	Rate Earned per sh.† %
1928	1,750,000	300,836	6	8.60
1929	1,750,000	304,757	6	8.71
1930	2,000,000	290,558	6	7.76
1931	2,000,000	277,841	6	6.95
1932	2,000,000	267,386	6	6.68

*After payment of provincial and municipal taxes, interest, expenses and charges, and after making provision for possible losses and contingencies and income tax.
†Based on fully paid up capital in 1932 and 1931, on average paid-up capital of approximately $1,875,000 in 1930, and on capital stock paid-up of $1,750,000 in prior years.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	11,630,944	2,875,000	6,873,506
1929	11,611,170	3,000,000	6,758,975
1930	12,784,963	3,200,000	7,483,087
1931	13,644,183	3,200,000	8,310,640
1932	13,661,948	3,200,000	8,325,328

Provident Investment

Provident Investment Co., Toronto, was incorporated in 1893. Public interest in the company is very small.

Toronto

Officers and Directors—A. H. Cox, pres.; H. K. Cox, vice pres.; N. L. Tolman, sec.; R. G. Roberts, H. C. Cox, W. J. Hastie.

Year	Total Assets $	Paid-up Capital $	Liab. to Public $
1928	203,845	100,000	91,586
1929	270,580	100,000	159,666
1930	260,677	100,000	158,926
1931	225,449	100,000	*90,705
1932	260,524	100,000	160,477

*Less mortgages and accrued interest.

Real Estate Loan Co.

Real Estate Loan Company of Canada, Toronto, which was originally incorporated in 1877 had an increase in net profit in 1932. Liabilities to the public are chiefly in the form of sterling debentures and have shown no reduction in the past year. Capital and reserve of the company exceed liabilities to the public. Assets of the company are chiefly invested in first mortgage chiefly on properties in Manitoba and Ontario. Stock is listed on the Toronto Stock Exchange.

Officers—H. W. Aikins, pres.; E. P. Beatty, vice-pres.; C. A. Morris, man. dir.

Directors—H. W. Aikins, C. A. Morris, E. P. Beatty and M. A. Mackenzie, all of Toronto, Ont.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	500,000	41,321	7	8.26
1929	500,000	41,405	7	8.28
1930	500,000	44,423	7	8.88
1931	500,000	38,802	7	7.76
1932	500,000	44,081	7	8.81

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,612,857	300,000	786,846
1929	1,609,396	300,000	779,303
1930	1,640,862	310,000	805,377
1931	1,647,992	310,000	815,886
1932	1,649,099	310,000	816,598

Realty Securities

New Westminster

Officers—Alfred W. McLeod, pres.; Dr. G. H. Manchester, vice-pres.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	56,650	5,683	..	10.1
1929	86,500	7,958	..	9.2
1930	94,400	8,573	..	9.0

Year	Total Assets	Reserve Funds	Mortgage and Real Estate Loans
1929	112,667	......	109,846
1930	119,446	11,270	98,107

Latest figures available.

Sask. Loan & Investment

Moose Jaw

Officers—E. N. Hopkins, pres.; J. H. Kern, vice-pres.; W. D. McIntyre, sec.

Directors—E. N. Hopkins, J. H. Kern, A. Hitchcock, Hon. W. B. Willoughby, K.C., J. H. Grayson, J. D. Fraser, J. Thomson, J. C. Poyser, J. A. McCartney, C. D. Grayson, all of Moose Jaw.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* %	Rate Earned Per Sh. %
1928	361,470	25,250	6	7.0
1929	365,169	18,656	6	5.1
1930	365,194	10,961	.	3.1
1931	365,194	4,713	.	1.3

*On permanent stock.

Year	Total Assets $	Reserve Funds $	Mortgage and Real Estate Loans $
1928	437,204	40,000	338,290
1929	445,753	40,000	346,000
1930	440,064	40,000	354,780
1931	452,050	40,000	329,215

Latest figures available.

Security Loan & Savings Co.

Security Loan & Savings Co., St. Catharines, was originally incorporated as a building loan company in 1870. The company's mortgage loans are restricted entirely to Ontario and the company has shown marked stability in earnings over a long period. Loans are principally confined to Niagara Peninsula.

Officers and Directors—H. J. Taylor, pres.; J. H. Ingersoll, vice-pres.; F. Blaikie, mgr.; A. W. Moore, H. Southcott, E. E. Dwyer, A. Robinson.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	539,800	58,183	7	10.7
1929	539,800	57,529	7	10.6
1930	539,800	58,572	7	10.8
1931	539,800	58,287	7	10.8
1932	539,800	*61,815	7	11.4

*Before deducting income tax, 1932, estimated $6,263.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,967,861	295,000	1,109,231
1929	2,034,280	315,000	1,155,908
1930	2,134,135	335,000	1,234,977
1931	2,187,699	*348,830	1,275,364
1932	2,192,942	335,000	1,262,841

*Includes contingent reserve $13,830.

Societe de Prets et Placements

Quebec

Officers—P. J. Bazin, pres.; G. P. Chateauvert, N.P., vice-pres.; F. F. Houde, sec.-treas.; G. LaRoche, asst. sec.-treas.

Directors—P. J. Bazin, G. P. Chateauvert, N.P., A. N. Drolet, J. La Morency, H. D. Barry.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned Per Sr. $
1928	700,000	74,290	8+1	11.2
1929	800,000	77,622	8+1	10.0
1930	800,000	73,913	8+1	9.2
1931	800,000	72,877	8+1	9.1

Year	Total Assets $	Reserve Funds $	Mortgage and Real Estate Loans $
1928	1,494,814	515,000	1,449,447
1929	1,681,763	570,000	1,643,087
1930	1,644,629	570,000	1,553,891
1931	1,615,059	570,000	1,499,970

Latest figures available.

Toronto Mortgage Co.

Toronto Mortgage Co., Toronto, was incorporated in 1899. Earnings were higher in 1932 than in any previous year in the company's history, although net profit was somewhat lower than in 1931, due chiefly to increase in taxes. The volume of deposits and debentures outstanding have shown annual increase since 1922. The larger proportion of the company's liabilities to the public is in sterling debentures, which showed an increase in 1932. Reserves are well in excess of paid-up capital.

Officers—T. H. Wood, pres.; A. M. M. Kirkpatrick, vice-pres.; W. Gillespie, mgr. and sec.-treas.

Directors—T. H. Wood, A. M. M. Kirkpatrick, W. Gillespie, E. R. Greig, Hon. G. S. Henry, G. B. Strathy, A. F. White, all of Toronto.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* $	Rate* Earned per. sh. $
1928	724,500	112,628	6	7.77
1929	724,550	110,877	6	7.65
1930	974,888	120,185	6	6.16
1931	986,500	132,999	6	6.74
1932	986,500	128,458	6	6.51

*Based on fully paid-up capital stock. Par value $50.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	3,895,061	850,000	2,223,543
1929	3,981,660	900,000	2,286,247
1930	4,603,774	900,000	2,385,583
1931	4,880,207	1,151,155	2,620,703
1932	5,013,719	1,165,002	2,744,136

Toronto Savings & Loan

Toronto Savings & Loan Co., Peterborough, Ont., was incorporated in 1885 and operates largely in Peterborough and surrounding district. This company has shown marked stability of earnings to the end of 1931. Earnings in 1932 have not yet been made public.

Officers and Directors—H. C. Cox, pres.; W. G. Morrow, vice-pres. and man. dir.; L. McCarthy, vice-pres.; H. W. Morphet, sec.; E. R. Wood, E. T. Malone, A. H. Cox, G. A. Morrow, S. H. Logan, J. A. McLeod, W. E. Rundle.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	1,000,000	165,920	12+3	16.5
1929	1,000,000	229,911	12+8	22.9
1930	1,000,000	212,526	14+6	21.2
1931	1,000,000	209,836	14+6	20.9

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	5,714,727	1,200,000	3,418,884
1929	6,062,126	1,200,000	3,693,370
1930	6,184,036	1,200,000	3,817,753
1931	6,087,422	1,200,000	3,711,304

Latest figures available.

Western Can. Investment

Edinburgh

Officers—F. J. G. Borthwick, chm., Black and Armstrong, Canadian mgrs., Winnipeg; C. A. Adamson, signing officer, Winnipeg; Martin, Currie & Co., secs. and mgrs., Edinburgh.

Directors—F. J. G. Borthwick, R. M. Guild, J. A. Falconer.

Earnings Record
As at June 30

Year	Paid-up Capital† £	Net Profits £	Div. Rate %	Rate Earned %
1928	150,000	6,707	5+2½	4.4
1929	150 000	7,209	5¼+4	4.8
1930	150,000	5,993	5¼+4	3.9
1931	150,000	3,334	5¼	..

† Consists of £100,000 preferred stock and £50,000 ordinary.

Year	Total Assets £	Reserve Funds £	Mortgage and Real Est. Loans £
1928	246,930	12,000	226,200
1929	262,709	12,000	182,615
1930	278,380	12,000	129,552
1931	269,377	10,000	124,496

Western Canada Mtge.

Winnipeg

Officers and Directors—R. Carr, pres. and man. dir.; F. W. S. Crispo, vice pres.; A. L. Denison, F. M. Bonner, sec.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	65,842	8,257	8	12.5
1929	68,261	7,956	8	11.8
1930	75,077	7,653	8	10.2
1931	76,367	4,751	6	6.2

Year	Total Assets $	Reserve Funds $	Mortgage and Real Estate Loans $
1928	103,599	21,000	97,621
1929	124,321	.....	108,928
1930	124,676	.....	104,407
1931	125,000	.....	105,000

Latest figures available.

Western Homes Ltd.

Western Homes Limited, Winnipeg, was incorporated in 1915. The company does not issue debentures or receive deposits. The company has over 1,000 shareholders.

Officers—Willis Argue, pres. and man. dir.; D. J. Dyson, vice-pres.; R. Duncan, sec.

Directors—Willis Argue, D. J. Dyson, W. O. Jefferies, E. Brownlee, B. Parker, W. A. Bremer, R. Duncan.

Earnings Record

Year	Paid-up Capital £	*Net Profits £	Div. Rate %	Rate †Earned %
1928	1,190,943	93,576	4	7.8
1929	1,272,967	83,795	4	6.6
1930	1,338,863	71,930	4	5.3
1931	1,373,643	71,846	4	5.2
1932	1,407,191	65,189	4	4.6

*Before deducting income tax reserve, insurance premiums, etc.
†On paid up capital.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,389,000	90,000	20,199
1929	1,555,518	120,000	....
1930	1,578,455	135,000	23,572
1931	1,650,571	140,000	50,461
1932	1,630,392	140,000	14,270

Westminster Mortgage Corp.

New Westminster, B.C.

Officers—A. W. McLeod, man. dir.; H. L. W. Tupper, sec.-treas.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	121,500	11,934	..	9.8
1929	462,000	25,710	..	5.5
1930	462,000	38,769	..	8.3
1931	462,000	....	..	..

Year	Total Assets $	Reserve Funds $	Mortgage and Real Est. Loans $
1928	194,727	......	149,050
1929	493,312	......	468,508
1930	574,351	58,462	558,655
1931	601,503	......	563,110

Latest figures available.

Yarmouth Bldg. & Loan

Yarmouth, N.S.

Officers—W. C. Purney, pres.; J. W. Grant, sec.-treas.

Directors—W. C. Purney, B. S. Robbins, G. Killam, A. P. Stoneman, R. S. McKay, K.C.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	217,126	17,702	6	8.1
1929	227,612	19,845	6	8.7
1930	234,364	19,515	6	8.3
1931	246,353	19,319	6	7.8

Year	Total Assets	Reserve Funds	Mortgage and Real Est. Loans
1928	270,971	39,500	265,311
1929	289,845	44,500	383,192
1930	300,774	49,500	295,533
1931	425,588	53,000	419,750

Latest figures available.

TRUST AND LOAN COMPANIES MAINTAIN STRONG POSITION

(Continued from page 11)

from $75,616,049 at the end of 1931, an increase of 1.64 per cent despite withdrawals made as a result of unemployment conditions in some centres and the investment of funds by depositors in new Dominion of Canada and provincial bond issues. Guaranteed investments of 26 Ontario supervised trust companies showed a rather marked decline in total with general guaranteed investments down to $68,488,990 from $76,944,125 shown at the end of 1931. This trend is largely accounted for by the high yields to be secured during the greater part of 1932 on high grade provincial bonds.

In a year of difficult conditions, when industrial companies, with comparatively few exceptions, were forced to reduce or pass dividend payments, the Canadian trust and loan companies were able to add to the lustre of their previous record. While trust and loan dividends have been reduced in recent months this is quite in line with the conservative practices followed by these companies and the security of funds owing to the public has been well maintained even though it is necessary for some companies to write down the book value of investments.

Moratoria Affect Mortgages

With moratoria on mortgages in effect in several of the provinces, investment in mortgages by trust and loan companies has been largely curtailed in the past year and collections on mortgages in force have necessarily been smaller. The loan companies have as a whole followed a policy of giving every assistance to borrowers who were unable to pay amounts owing on their mortgages providing that the borrower appeared to be willing to meet his obligations. Low prices on farm crops and unemployment in the cities have naturally affected the ability of many borrowers to pay but the conservative loaning practices of the trust and loan companies in the past are now a source of great strength.

Many trust and loan companies operate in a comparatively limited area and have had years of experience in local conditions. The mortgage money loaned by such companies is placed with a thorough knowledge of the willingness and probable ability of the borrower to repay his loan which is usually not more than half of the value of the property mortgaged. As a result, many of these local companies have an excellent record of collections and earnings in 1932 were in some cases in excess of those of 1931. Larger companies which loan money throughout Canada have established offices and agencies to keep personal contact with local conditions. Even the most conservative loaning practice cannot avoid losses when crops fail in an area but such losses are usually only a small proportion of the company's investment in mortgages.

The experience of the life insurance companies would indicate that losses on mortgages in recent years is confined largely to farm mortgages. In 1931, 2.89 per cent of total book value was written off farm mortgages or foreclosed farm real estate and loss on real estate sold. Write-off on all other mortgages was only 0.12 per cent. Write-offs were largest in Manitoba with 5.52 per cent; Alberta was next with 4.4 per cent; British Columbia had 3.10 per cent and Saskatchewan 1.56 per cent. Arrears of interest were 38.14 per cent of total book value of farm mortgages and this was more than double the 1925 figure but arrears in interest on other mortgages was only 0.37 per cent, lowest since 1921 with the exception of one year, 1930.

Leading trust and loan companies in Canada are co-operating with life insurance company's through the Dominion Mortgage & Investments Association in the solution of mutual problems. Among these problems is the legislation proposed by several of the provinces which adversely affects creditors while giving relief, to borrowers. Another problem is the increasing load of taxation imposed on Canadian borrowers which takes precedence over their mortgage obligations.

PROVINCES REAP WHIRLWIND THROUGH THEIR EXCURSIONS

(Continued from page 11)

ing, but many of these cases have already been reduced or otherwise adjusted.

It is interesting to note, however, by the table above, that the value of security for the number of applications passed in 1932 would be about $6,085 per individual applicant, whereas the number of loans paid out shows the average loan to be $3,211. The market value of Ontario farms is not one-half the level of ten years ago, and in fact what property is turning over shows average prices down below $30 an acre. The average loan on all the loans paid out in the history of the company by the above table is $3,723.

Debenture Liabilities Increase

In its revenue account the board shows a total income of $2,218,656, of which interest on loans of $2,116,969 was the principal item. Expenses amounted to $242,692, loss on farms $61,204 and interest on debentures to $1,804,457, making total expenses of $2,108,641, when a small amount for depreciation on office furniture of $288 is included. This left the net income for the year at $110,015, which was added to the surplus of the previous year of $648,962 to make $758,977.

Bonds and debentures outstanding at the beginning of the year were $36,400,000 and $8,500,000 were issued during the year. Those paid during the year amounted to $1,200,000, leaving $43,700,000 outstanding.

The advance in mortgage equity during the year was $8,746,388 and repayments were $2,044,069. This brought the amount outstanding as of Oct. 31, 1932, to $44,050,607.

The board had cash of $364,091 on Oct. 31, 1932.

The board paid the Provincial treasurer $1,606,966 being the full amount of interest due on debentures and $237,324 to defray the administrative expenses of the board and $2,938, toward the Superannuation Fund.

Few Farms Idle

As a result of sale proceedings or quit claim deeds, 78 farms were turned over to the board during the year and 88 farms were sold.

"It is not pretended," says the report of the chairman, "that there was a substantial cash payment on all farms sold. There was a good payment on many, but the aim of the board has been to have properties maintained and operated in a satisfactory manner and where a sale is not immediately possible, arrangements are usually made to have the farm operated under lease. It is gratifying to say that very few farms remained idle during the year."

The chairman also noted the fact that new low prices for farm commodities resulted in farmers carrying on under greater difficulties than ever previously experienced. The board is called upon to carry very heavy arrears in consequence. Heavy burdens of debt have been accumulated by many and these could only be met with patience, courage and vigilance. The human aspects of each problem were being considered by the board, stated the chairman. Where an honest effort was being made with any reasonable chance of success there would be no lack of patience on the part of the board. Where these conditions did not exist a fresh start must be made. He stated that in nearly all cases where sale proceedings were taken there was mutual agreement as to the course taken and in only a few was there dissent on the part of the mortgagor.

The chairman stated that a recognition of the seriousness of the present economic situation does not involve or imply lack of faith in the soundness of the assets held by the board as security for the money advanced. In the face of low prices and shrinkages of values there still come to the board, he says, many evidences of the basic soundness of Ontario farm lands.

In one respect the table given by the Agricultural Development Board is lacking. It shows the value of the security, the number of loans paid out, and the amount, but it does not state the acreage of farm land behind the loan. This would give a rough-and-ready way of judging the value of the security.

In the Canadian west the average loan per acre is about $7.50 and in some of the best districts it may average $9.50 per acre. In Ontario double that amount would be considered a safe risk basis. At one time it was customary to think of Ontario farm land being worth $100 an acre on the average. But that time has been long past. One reason for the decline in value has been the increase in taxes on Ontario farms. These taxes now are often far more than what the annual rent used to be.

It must be realized that with the Ontario Agricultural Board all the applications do not represent new loans. A good deal was for taking up old mortgages and covering deferred interest.

Wool Production Finds Market

Manitoba's wool production in 1932, according to the final figures, amounted to 947,000 pounds and had a value of $13,800. The 1932 wool, according to the inspectors of the provincial Department of Agriculture, was much cleaner than in the two previous years and the demand for it, within the province, by manufacturers, was more active than previously.

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The steady advancement made by this institution during the past three difficult years is strong evidence of public faith in the services and security offered.

Year	Capital & Surplus	Estates Under Administration	Savings Accounts	Total Assets
1930	$ 933,690	$ 9,138,215	$5,146,249	$15,218,670
1931	1,104,186	9,527,228	5,524,615	16,156,621
1932	1,106,235	10,616,503	5,510,230	17,236,530

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Complete Up-to-the-minute Information For Canada's Trust & Loan Companies

The Financial Post Corporation Service supplies up-to-the-minute information, in convenient form, to those responsible for investing trust funds or advising clients, with regard to investments. There is no better way to keep constantly in touch with the position of a company than by means of this service.

The service contains reviews of hundreds of Canadian companies, all presented in card form and supplemented by news cards, daily, if necessary, to ensure complete information at all times. The cabinet contains the cards. Operation is simple and speedy. The information is virtually at your finger tips.

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The reviews themselves thoroughly cover the points required to be known when investigating a company. Some of the points detailed are as follows:

What the company does — Names of underwriters
History of its operation — Changes in capital stock
Officers and directors — Dividend record
Subsidiaries — Stock market record
Details of each stock issue — Seven years' earnings
Details of each bond issue — Seven years' balance sheets

The news card feature of the service keeps these points up-to-date and supplies additional information such as monthly earnings, dates of special meetings, details of bonds called and all other announcements made by the company.

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COOKSVILLE CO. LOSS WAS $53,229 ON OPERATIONS

Balance Sheet Reflects Investment in Laprairie Co.

From Our Own Correspondent

MONTREAL.—Operations of the Cooksville Co., brick and tile manufacturer, resulted in a loss of $53,229 last year compared with a profit of $135,463 in 1931. After provision for interest on loans and reserve for bad debts there was a total deficit of $110,559, before depreciation, compared with a net profit of $36,479, after depreciation, in the previous year, when profit was equal to $9.12 a share on the preferred. No dividends were paid in 1932; in the previous year payments of 4 per cent were made, leaving a surplus of $20,479 compared with last year's deficit of $110,559.

Current statement gives effect to consolidation of the company's Delson plant and Montreal business with National Brick Co. of Laprairie, the merger being known as Laprairie Co. Inc. of whose securities Cooksville Co. received $500,000 of 6 per cent preferred and 74,643 shares of no par common stock.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Oper. profit	*53,229	135,463
Int. on loans	42,330	48,984
Depreciation	......	50,000
Bad debt res.	15,000	......
Net profit	*110,559	36,479
Less: Pref. divds.	......	16,000
Surplus for year	*110,559	20,479
Add: Prev. surp.	761,650	741,171
Bal. forward	651,090	761,650

*Deficit.

Working Capital

	1932 $	1931 $
Current assets	262,427	537,749
Curr. liabs.	771,226	842,793
Working capital	♦508,799	♦305,044

♦Excess of current liabilities over current assets.

Interest in Laprairie Co. is reflected in value of investments which are carried at $977,061 compared with $106,064 in the previous year. Sundry investments total $12,464. Cash is down $11,000 at $1,952 and accounts receivable are lower by $183,000 at $127,183. Inventories are down $81,000 at $133,291. Reflecting transfer of properties to the new Laprairie Co., fixed assets, less depreciation, are down $786,000 at $2,231,560.

In liabilities, accounts payable have dropped from $216,293 to $72,226 while loans from banks and directors have increased by $73,500 to $699,000. Mortgage on the property of Port Credit Brick Co. has been reduced by $6,000 to $91,790 while a contingent liability of $348,000 has been incurred through guarantee of a bank loan of Laprairie Co. The company also guarantees a mortgage loan of Interprovincial Brick Co. of $57,500, down $7,500 from the previous year.

Sees Benefits of Merger

In his remarks to shareholders C. G. Greenshields, president of the company, said in referring to organization of The Laprairie Co.:

"The action of your company in bringing about this consolidation has already been amply justified and with the return of normal times the result should prove very profitable to your company.

"Owing to the unprecedented depression in the building business, your company's plants were only operated during approximately six months of the year under review. There are no indications of improvement at the present time."

INTERPROVINCIAL BRICK HAD LOSS

Deficit in Surplus Account Increased to $114,133 at Year End

From Our Own Correspondent

MONTREAL. — Operating loss of Interprovincial Brick Co. in 1932 was $22,017 compared with $9,748 in the previous year. No depreciation has been provided in the last two fiscal periods and loss sustained last year increased the deficit at profit and loss to $114,133.

Balance sheet shows accounts receivable down $41,000 at $26,271, cash higher by $5,000 at $15,428 and inventories unchanged at $38,768. Investments of $3,162 are slightly lower. In liabilities, mortgages payable have been reduced by $7,500 to $57,500 and capital structure is unchanged.

In his report to shareholders, C. G. Greenshields, president of the company, states the outlook for the coming year is still obscure with no real signs of improvement.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Oper. profit	*22,017	*9,748
Prev. deficit	92,115	82,367
Debit balance	114,133	92,115
Depreciation	......	......
Total deficit	114,133	92,115

*Operating loss.

Working Capital

	1932 $	1931 $
Current assets	80,469	116,084
Current liabs.	2,931	10,696
Working capital	77,538	105,238

NOVA SCOTIA STEEL CASE IS UNDER WAY

Court Sets Date for Hearing Under Winding-up Act

From Our Own Correspondent

MONTREAL.—March 29th has been set as the date for the hearing of an application for the appointment of a liquidator under the Winding-Up Act for Nova Scotia Steel and Coal Co., a subsidiary of Dominion Steel and Coal Corp. The company is now under receiver-managership of the Eastern Trust Co. and Gordon W. Scott, Montreal.

Application for leave to proceed under the Winding-Up Act was made on behalf of D. C. Sinclair, of New Glasgow. It was alleged that the company was insolvent and that the best interests of the creditors would be served by having the company's affairs so administered, rather than under the Bankruptcy Act.

Petitioning for the application lawyers for the plaintiff stated that appointment of a liquidator would not necessarily mean disposition of the assets of the company and complete winding up, the grounds taken being that appointment of a liquidator would permit of greater conservation of assets and ease in administering the concern with regard to the interests of security holders.

Canada Veneers Builds Plant

Canada Veneers Limited will shortly build a plant at Fairville, a suburb of Saint John, for the manufacture of rotary-cut hardwood veneers and plywood. The firm foresees a market not only in Canada but also in Great Britain and the West Indies.

ANSWER IS GIVEN TO HIGHER DOLLAR AFTER U.S. CRISIS

Higher Premium on U. S. Money Puzzles Many Canadians

There has been a higher premium in Canada on United States funds in the last few days than before the closing of all banks in the United States. Many Canadians were of the opinion that the United States bank crisis would lower the premium on United States funds in Canada, but it has not done so. This apparent paradox calls for the explanation given below.

The Regina Leader-Post candidly states in an editorial, entitled "We're Scuttled," that it cannot supply the answer. The editorial reads, in part, as follows:

"What we are wondering about is why a United States dollar, with the United States mint rushing out millions of paper money without gold backing, should be worth more than the dollar that was circulating before the United States was struck by the economic blizzard two weeks ago.

"By all the rules the inflation in the United States should have driven down the value of the American dollar. More American dollars should have mean cheaper American dollars. The Canadian dollar should have increased in value, in relationship to the American dollar; that is, unless Ottawa has also been inflating the Canadian money supply. Of this there has been no report.

"At any rate, it is all very strange, and, having failed to explain it to our own satisfaction, we would not mind if someone else had a whack at telling how it has happened thusly."

Reasons Given

The chief reasons for the strength of United States dollars, despite the bank crisis, are:

1. There is a greater demand for United States currency in Canada than there is for Canadian currency in the United States. The reason for this is that we buy more goods from the United States than they buy from us. We must pay more principle and interest on debts to the United States than they have to pay to us. The high demand in Canada for exchange to make these payments creates the high prices for United States dollars.

2. There are restrictions being made on purchases of foreign currencies in the U. S. This would tend to keep nervous capital from buying foreign exchange, such as Canadian dollars, for example.

3. A large proportion of the bank deposits of the United States are still frozen. This money, therefore, cannot be used to buy foreign currencies, such as Canadian dollars, even if the owners wished to do so.

Currency Not Inflated

4. The United States has not inflated its currency, strictly speaking. It has issued currency, based on bank assets, not normally acceptable to fill the demand. Much money is still being hoarded in the United States, and as long as this prevails the extra currency is not in ordinary use. Thus, it does not have an inflationary effect. If funds come out of hoarding, circulation will probably be reduced since President Roosevelt has announced himself in favor of "sound" money.

5. An actual shortage of United States dollars occurred in Canada when United States banks closed. This made the premium higher than before. The shortage was caused by hoarding and because all United States funds other than actual currency, were frozen in the closed banks. There was also an immediate additional demand for United States dollars in Canada to supply funds to Canadian tourists in the United States at this season.

It should be noted that the probability of the continuation of the premium on United States funds was clearly indicated in the Foreign Exchange column of The Financial Post about the time the United States bank closings were ordered. The reasons mentioned above made this probability evident to exchange authorities.

Bank of Montreal Opened in Belleville 90 Years Ago

Belleville, Ont., branch of The Bank of Montreal celebrated its 90th anniversary on March 8, having first opened in 1843. This is one of the oldest branches of the bank in Ontario. Legislation permitting the institution to open branches in Upper Canada was only passed in 1839, according to the centenary history of the bank.

The first office of The Bank of Montreal in Belleville was in a small, red brick, one-roomed, single story building. Most of the buildings in Belleville were of wood at that time. The first agent, or manager, was George Benjamin, whose son still resides in the city. G. A. C. Weir is the present manager.

The Belleville branch has two customers who have patronized the bank for scores of years, one 90 years of age and another an octogenarian.

The list of managers of the branch since it was opened is as follows: Geo. Benjamin, 1843-47; Philip Ham, 1847-66; Quenton MacNider, 1847-66; Wm. R. Dean, 1866-72; Robert Richardson, 1872-96; R. J. B. Crombie, 1896-1902; A. G. Parker, 1902-05; Robert Tannahill, 1905-24; H. A. Tofield, 1924-25; and G. A. C. Weir, the present manager.

Vancouver Clearing House Elects Officers for 1933

E. W. Lamprey of The Bank of Toronto, was elected chairman of the Vancouver Clearing House for 1933 at the annual meeting on March 9. A. A. Atkinson, of The Dominion Bank, was elected vice-chairman.

The executive committee of the clearing house for 1933 comprises G. F. Laing, of The Bank of Montreal, A. T. Lowe, of The Royal Bank of Canada, and J. G. Penney, of The Bank of Nova Scotia. C. R. Sneyd is secretary and manager.

Obituary

Thomas Jones, Ottawa, formerly on the staff of The Bank of Ottawa and The Bank of Nova Scotia, died recently in Montreal. Mr. Jones had retired from The Bank of Nova Scotia three years ago, after 35 years of service with the two institutions.

Quebec Gold Output Gains

Gold production in the Province of Quebec is steadily increasing. In the month of January it totalled 33,041 ounces valued at $682,957, which compares with 31,078 ounces at $642,382 in January of 1932, and with 30,495 ounces at $630,331 in December of last year, according to the official figures issued by the Quebec Bureau of Mines.

Bank Chat on Current Topics

Feeding Snails

"WHAT do snails eat?" a banker asked us the other day. We were floored. In fact it appeared that an attempt was being made to confound us.

When the question was put a second time, the desire for the information seemed genuine. Queried, the banker gave this explanation:

"I have a snail at home, and it hasn't had anything to eat for five days.

"My 13-year-old daughter asked me to get her a snail. I finally discovered that snails were procurable at a pet shop. Fifteen cents each. I bought one and took it home, and the children have lots of fun watching it come out of its shell and move around. Now I have to get it something to eat.

"The worst of it is, as far as getting the right kind of food is concerned, I don't know whether it's a land-going or a sea-going snail!"

What do you feed snails any way? Or perhaps you, as a banker, have another pressing problem which we might be able to solve?

Evidence on Our Banks

CANADIAN banks and the system of banking in this country were investigated by the U. S. senate in 1909. A subcommittee of the U. S. National Monetary Commission visited Toronto and Montreal and took evidence from a number of the general managers of Canadian banks. This evidence and other interesting data on Canadian banking is contained in a single volume of the exceedingly lengthy report of the commission to the U. S. senate.

The first general manager interviewed was the late Henry C. McLeod, then general manager of the Bank of Nova Scotia. Early in his evidence he gave a double-barrelled answer to a question by Edward B. Vreeland, chairman of the subcommittee. The verbatim report gives it as follows:

Mr. Vreeland: "I am going to ask you a few questions with regard to the general banking laws; have you had occasion to give them any special attention, Mr. McLeod?"

Mr. McLeod: "Not much more than the ordinary attention of a banker operating under them."

IN READING over some of the evidence, we were struck with another statement by Mr. McLeod. He was being asked for information on bank failures in Canada. The name of the Ontario Bank having come up, he stated:

"The Ontario Bank was started in 1856, and was probably insolvent for 40 years before its failure."

In 1906, the Ontario Bank having intimated that it would have to suspend payments, the Ontario Bank's liabilities were all assumed by the Bank of Montreal. The Ontario Bank was ultimately liquidated without loss to depositors. Sufficient of the double liability of shareholders was collected to cover all losses, and some of the money so collected was later returned to shareholders.

Judging by Mr. McLeod's statement, the Ontario Bank had been in difficulties since 1866, or about ten years after its incorporation. Since that time, revision of the Bank Act have made the possibile recurrence of such a situation highly improbable.

Staff Changes

The Canadian Bank of Commerce announces the following changes in staff appointments:

A. F. TURNER, formerly inspector at Calgary, to be inspector at head office, Toronto.

J. MORETON, formerly assistant manager at Toronto, to be inspector at Calgary.

Branch Changes

The Canadian Bank of Commerce has made the following change in branch arrangements:

MATSQUI, B.C., sub branch is now being operated as a branch, with W. A. PATERSON as officer-in-charge.

NOTES OUTSTANDING DECLINE $4,772,624

No Hoarding Apparent in Canada, Specie Report Shows

A decline of $4,772,624 in total Dominion notes outstanding was recorded in February. The decline was from $180,473,727 at Jan. 31, 1933, to $175,701,103 at Feb. 28, according to the reports of the department of finance, Ottawa. Complete absence of hoarding in Canada is indicated in the reports.

The decline was caused by reduction of $4,800,000 in advances under the Finance Act, and follows the usual seasonal trend. Absence of hoarding is indicated by decreases in the amounts of one and two dollar notes outstanding. These notes are the only Dominion paper in common public use. The change in one and two dollar notes outstanding in February, and the department of finance gold holdings, are shown in the following tables:

Change in One and Two Dollar Dominion Notes Outstanding in February

Outstanding at:	$2 notes $	$1 notes $
January 31	12,622,532	18,246,988
February 28	12,300,136	17,797,116
Decrease in Feb.	322,396	449,872

Gold Held by the Minister of Finance at February 28, 1933

Against govt. savings bank deposits (10% on $22,335,022)	$2,233,502
Against notes, under Dom. Notes Act, 1927	70,257,103
In excess of statutory requirements	91,222
	72,581,827

Weekly Bank Clearings

	Mar. 16, 1933	Change yr. ago %	Mar. 9 1933
St. John	$1,171,623	—34.7	1,247,679
Moncton	414,826	—30.3	457,732
Sherbrooke	440,200	—25.3	495,531
Quebec	3,112,909	—14.9	4,256,783
Montreal	57,977,942	—19.5	64,271,233
Ottawa	2,893,188	—41.1	3,885,943
Kingston	384,637	—14.3	457,262
Peterboro	416,337	—21.8	494,667
Toronto	59,573,203	—16.1	72,490,207
Hamilton	2,527,332	—36.5	2,934,467
Kitchener	606,849	—21.5	711,388
Brantford	549,415	—25.7	618,219
London	1,827,710	—27.3	2,141,627
Windsor	1,632,178	—23.4	1,833,592
Chatham	345,179	—13.0	379,369
Sarnia	264,589	—27.3	372,869
Sudbury	384,393	—17.6	391,561
Ft. William	377,487	—31.6	462,832
Winnipeg	37,294,677	+23.3	43,119,197
Brandon	211,687	—34.1	254,203
Regina	2,807,032	+ 6.6	4,168,858
Moose Jaw	331,727	—32.7	421,887
Saskatoon	821,242	—31.8	998,969
Pr. Albert	180,338	—30.8	231,433
Edmonton	2,781,938	—11.4	2,888,672
Calgary	3,914,565	—22.3	4,012,261
Medicine Hat	146,829	—14.8	157,242
Lethbridge	264,828	—52.3	278,333
N. W'minster	299,828	—27.6	346,272
Vancouver	9,527,885	—16.1	10,355,547
Victoria	1,031,418	—32.8	1,205,030

Current Events in Banking World

BELIEVES BANKS' LIQUIDITY POLICY BAD FOR CANADA

Post Reader Would Expand Dominion Notes By $400,000,000

Canadian banks are unwise in placing themselves in an extremely liquid position at present and they were unwise in expanding credit between 1927 and 1929 is the opinion of a reader of The Financial Post, Frank Wilson, B.Sc., F.R.E.S., of Matsqui, B.C. He suggests increasing the issue of Dominion notes by $400,000,000.

Mr. Wilson, in a letter to The Financial Post, states that present restriction of credit on personal call loans, and alleged restriction of credit for financing tobacco packing, as expressed in a letter to The Post by J. Bruce Payne, "form the most clear cut indictment of our banking system which I have yet come across."

Views on Credit Policies

Mr. Wilson expresses his opinion of credit policies as follows:

"Call and short loans in stocks and bonds are definitely inflationary in tendency since they bring into existence new purchasing power unaccompanied by the creation of new goods. When business is progressing satisfactorily they should be reduced to as low a level as possible in order to avoid overoptimism and overexpansion. They are dangerous only in times of prosperity when they can quickly turn prosperity into boom . . .

"To make such loans now would be economically sound in that they would provide a much needed stimulus to our depressed system. To give such stimulants to a healthy system is pernicious and yet such is the declared policy of our wise and far-seeing banks.

What is Inflation?

"I am very curious to know what a banker really means when he speaks of 'inflation' and shudders as he speaks. I seem to recollect that between 1927 and 1929 Canadian banks increased their borrowing of Dominion notes under the Finance Act from $19,200,000 to $82,900,000, all printed nicely on a printing press, while the specie reserve dropped from $105,000,000 to $59,000,000. Was that inflation? I also recollect a statement in the Canada Year Book that between 1926 and 1929 call and short loans on stocks and bonds in Canada increased from $140,000,000 to $267,000,000, a 90 per cent increase, while ordinary commercial loans increased by only 43 per cent. Was that inflation? . . .

"Hard-Boiled Negativism"

"A little of the hard-boiled negativism which leads them (bankers) today to refuse a loan to a tobacco packer handling a real addition to the wealth of the nation would have been most salutary if applied to speculators before 1929.

"I sincerely hope that I am wrong and would appreciate being shown my error, but it seems to me that when a banker speaks of a proposal being 'sound' he means profitable to himself.

"Today he insists that municipalities balance their budgets and reduce their debts, and yet by his timid striving to get liquid he prevents the production and distribution of wealth from which alone they can obtain their income and, by depressing the price level still lower, increases the real burden of their debts. . . .

Would Alter Bank Act

"I would suggest that one way in which Canada could bring into being a real consumer demand, which is the only thing capable of starting the wheels of industry again, would be to amend the Bank Act so as to compel the banks to hold 20 per cent of their assets in Dominion notes, and then print $400,000,000 of new notes to be used in the payment of laborers on public works. The notes would quickly find their way back to the banks and might persuade those organizations that they were "liquid" enough.

"Let no banker cry in holy horror 'inflation.' These notes would appear as consumer demand and would call into being consumers' goods to probably ten times their value before they found their way back to the banks. The 20 per cent ruling would then prevent their being used as the basis of an unrestricted credit expansion. The effect would be much less inflationary than that of the notes the bankers had printed before 1929 which formed the basis of the 90 per cent increase in speculative loans.

"Holier Than Thou"

"The 'holier than thou' attitude does not become our bankers, rather should they say in all humility, 'Lord have mercy on us — miserable and muddle-minded sinners!'

"Their actions were similar to those of a doctor giving oxygen to a healthy man and sitting on the chest of his pleurisy patient."

In connection with Mr. Wilson's suggestion that Dominion notes be issued to the extent of $400,000,000 it should be noted that a special issue of $35,000,000 was made last November. This is a large amount, being almost 20 per cent of the total Dominion note issues at Jan. 31, 1933.

The largest total of Dominion notes ever outstanding in the history of this country was 337 millions in November, 1918, during the period of war-time credit inflation. Thus, the suggested increase of 400 millions, which would bring the total Dominion note issue to nearly 600 millions, would be exceedingly large.

Well Known Firms Have Left Cheques Forgotten in Banks

Certified Cheques and Drafts Amount to $414,474

SOME BIG AMOUNTS

C. P. R., A. E. Ames & Co., N. Y. Life, Calgary Herald and Toronto Gen. Trusts in Post's List

Well-known business firms are included in the list of unclaimed drafts and certified cheques in Canadian banks. The C. P. R., A. E. Ames & Co., Toronto General Trusts Corp. New York Life Insurance Co., the Calgary Herald Publishing Co., are a few of the names in a preliminary list collected by The Financial Post's Ottawa correspondent.

From Our Own Correspondent

OTTAWA. — In the chartered banks of Canada, there is $2,619,753 in forgotten money by depositors. Of this $414,474 is in unclaimed drafts and certified cheques. Much of the latter sum may belong to well-known individuals and corporations in this country. A large portion of it should be collectible.

From the viewpoint of the business community more interest attaches to the unclaimed certified cheques and drafts, than to the bank balances. These returns indicate that many Canadian companies have money to their credit, which either has been overlooked or forgotten. For the reason that the greatest human interest attaches to the individual accounts, the certified cheques and drafts have largely been overlooked in press reports.

The following are a selection of the certified cheques and drafts which have not been cashed:

The Steele Briggs Seed Co. has a draft for $36.28 awaiting it at the Canadian Bank of Commerce, Toronto. It has been there since 1923.

F. C. M. Marniers has a certified cheque, payable to him, in the Bank of Montreal at Winnipeg—there since 1905. The amount is $549.25.

J. H. Brown, of Calgary, has a certified cheque for $544.80 awaiting him at the Bank of Montreal, Calgary. The date is 1908.

A. E. Ames and Co., are listed as entitled to five certified cheques or drafts held at the Bank of Montreal, at Toronto, and going back to 1903. They are for small amounts of $5 and $6.

Oliver Kenzie, of Kitchener, has a certified cheque waiting for him at the Kitchener branch of the Bank of Montreal, for $1,030. The date is 1916.

A certified cheque for $1,000, dated 1895, is being held by the Bank of Montreal at Stratford, Ont., for W. P. Hibbard.

The executors of the estate of R. A. A. Jones, of Saint John and Montreal, have overlooked a certified cheque for $7,478.41 which has been held by the Bank of Montreal. at Montreal, since 1917.

The New York Life Insurance Co., has failed to cash six certified cheques or drafts which are held for the company at Montreal by the Bank of Montreal. The cheques are dated in 1926. The largest is $204.15 and the smallest is $10.

The Canadian Pacific Railway would seem to have overlooked two cheques dated 1904. One is for $16.75 and the other is for $15. They are held by the Bank of Montreal but exactly where is not clear. One is payable in sterling and the other in American dollars.

There must be a curious story behind a certified cheque payable to the Railway Commission—a branch of the government—and held by the Bank of Montreal at St. John's, Newfoundland, since 1924. The amount is $1,129.23.

The Bank of Montreal, at Montreal, holds a cheque for $11,322.17, dated 1922, in favor of the Lena Gold Mining Co. The company may have disappeared but shareholders should be able to collect the money.

The Toronto General Trust has overlooked a $10 draft which the Imperial Bank, at Toronto, has been holding since 1925.

The Canadian National Exhibition also has missed a $6 draft, held by the Imperial Bank at Toronto.

The Niagara Falls Building, Savings and Loan Association has lost two drafts—$128.70 and $15.60—which are held by the Imperial Bank at Niagara Falls. Date, 1927.

The Herald Publishing Co., of Calgary, has failed to collect a $22.04 cheque or draft, which is being held by the Imperial Bank at Calgary.

The Collector of Customs at Edmundston, N.B., has missed five certified cheques aggregating several hundred dollars, issued in 1926 and 1927 and held by the Royal Bank of that city.

The Oxford Society—whether it means the Oxford Movement is not clear—has a certified cheque for $20, dated 1926, awaiting it at the Royal Bank in Montreal.

The Metropolitan Life seems to have slipped up on a cheque or draft for $50.43 which is held in the Royal Bank at Montreal.

The Halifax Fire Insurance Co. sent a certified cheque for $180.83 to the Canadian Fire Insurance Association in 1918. It has never been cashed and is being held by the Royal Bank, though whether at Toronto or Halifax is not clear.

The Brandon, Man., Creamery and Supply Co. have missed 21 certified cheques—1918-19—which are held by the Royal Bank there. The Crescent Milk Co., of Winnipeg, has missed a $13 cheque, 1920, which is held at the Royal Bank, Winnipeg.

The Collector of Customs at Alameda has overlooked a certified cheque for $1.10, dated 1926, and held by the Royal Bank.

The Edmonton branch of the Great West Permanent Loan has missed 14 certified cheques which are held by the Royal Bank at Edmonton, dated 1924.

Must Have Post

"Owing to reduced salary, I thought I could dispense with The Financial Post for this year, but I find that such is not the case. I enclose cheque for $5 and shall be glad if you will renew my subscription for a year."
—Prairie Banker.

"Keep at the Government on its extravagant expenses as that is where our salvation is. Any amount of commissions they cut off without any trouble will help a lot."
—Reader in Cornwall.

Winnipeg Bankers Hear Debt Adjustment Head

G. S. Rutherford, debt adjustment commissioner of Manitoba, recently told Winnipeg bankers that the provincial debt adjustment board had tended to improve the relations of debtors and creditors in the province. Mr. Rutherford's remarks were made to a recent meeting of the Winnipeg Bankers' Lecture Club.

The speaker said that it should be generally realized that debtors were bearing substantial burdens under present economic conditions. He said that a large proportion of creditors, particularly the larger ones, had been trying to deal generously with debtors. In describing the work of the board, Mr. Rutherford stated that in the first eight months of operation of the Debt Adjustment Act, 3,331 cases had been handled. Of these, 2,321 had been disposed of more or less finally, 1,452 of the settled, or 62½ per cent, cases being rural.

G. D. Ritchie, chairman, introduced the speaker, and H. S. Chambers, secretary of the club, moved a vote of thanks for the address.

Babson Says U. S. Banking May Use Canadian System

Banking in the United States may ultimately be reorganized along the lines of the Canadian banking system, according to the Babson Statistical Organization. A recent weekly Babson bulletin says:

"The swift crisis which resulted in the closing of all United States banks last week gave Canadian citizens cause for gratitude that the Dominion's banking situation is impregnable.

"A weaker system than that which exists in Canada would inevitably have been swept into the vortex of developments across the border. As it is, however, the upshot of the situation in the States will be a sweeping reform of banking procedure, with the Canadian system probably used as a model upon which to base a new, highly centralized structure."

Moncton Clearing House Appoints 1933 Officers

William Cook, manager of The Bank of Nova Scotia, has been appointed chairman of the Moncton, N.B., Clearing House Association for 1933. F. T. McLellan, of The Bank of Nova Scotia, was appointed secretary.

Banker Would Cut Debts in West on Wheat Basis

Revaluation of western farmers' debts, on the basis of the change in the price of wheat since such debts were incurred, has been suggested to The Financial Post by a western banker.

While little attention is given in the plan to its probable effect on the creditors, it displays sympathy for the plight of western farmer

Editor, The Financial Post:

After many years of banking experience in the West, mostly in the grain growing areas, I know something of the frame of mind of the Prairie farmer. I know that he is as anxious to pay his debts as his creditors are to collect. I also know that the present crushing burden of debt he is carrying is gradually sapping the good resolutions and turning many a good farmer into a political crank.

There is no doubt that the creditors, i.e., banks, mortgage, machine, oil companies, etc., have already reserved large amounts to take care of their certain losses. There is also little doubt that they are all willing to compromise where anything can be gained by doing so. But when any general plan of adjustments si suggested, the usual response is that each debtor's case must be dealt with as its merits; and the result is that there is more uncertainty and unrest in the West than there was a year ago. Good farmers, who might have started a programme of repayment, are holding back in the hopes that a general adjustment will be forthcoming, while the poor farmers will not pay in any case.

I do not suggest government intervention, we have had too much of that already, but I do suggest that the creditor class formulate a scheme whereby all debtors are treated similarly, a scheme which would pin the farmer down to the payment of a specified amount, if necessary spread over a period of years, bearing a nominal rate of interest.

The scheme I have in mind is to reduce farmer's current indebtedness in proportion as the average local price of wheat has depreciated since the inception of the debt. The following table will give a clearer idea of what I mean:

Banker's Plan for Revaluation of Western Farm Debts

Year debt created	Am't of debt $	Wheat price at date of loan $	Wheat price 1933 c.	Debt as revalued $
1927	500	1.00	.35	175
1929	100	.66		53
1930	100	.50		70
Total debt	700		Total to be repaid	298

WESTERN BANKER.

in the twinkling of an eye

He RECOGNIZED HIS CUSTOMER'S VOICE immediately . . .

"Hello, Mr. Marsh, this is Johnson speaking."

Clear as a bell—undimmed by its 4000-mile trip from Vancouver to Halifax — the customer's voice answered, its owner pleased at the instant recognition. Friendship was cemented—new business created—the clarity of The Trans-Canada lines preserved the personality of the speaker and made his voice immediately recognizable.

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VICTORIA and Montreal - $8.50; " Saint John - 9.50; " Halifax - 9.50

VANCOUVER and Calgary - $2.60; " Ottawa - 8.00; " Saint John - 9.50

CALGARY and Hamilton - $6.25; " Saint John - 8.00; " Montreal - 7.00

EDMONTON and Winnipeg - $3.00; " Ottawa - 6.25; " Halifax - 8.25

REGINA and Victoria - $3.50; " Toronto - 4.75; " Montreal - 5.25

WINNIPEG and Vancouver - $4.50; " Sydney - 6.25; " Halifax - 6.25

TORONTO and Vancouver - $7.75; " Saint John - 3.50; " Halifax - 3.50

MONTREAL and Vancouver - $8.25; " Edmonton - 6.75; " Halifax - 2.40

SAINT JOHN and Edmonton - $7.75; " Winnipeg - 5.50; " Quebec - 1.30

HALIFAX and Vancouver $10.00; " Calgary - 8.75; " Ottawa - 2.80

● NOTE: The above rates are for Station-to-Station Day Messages.

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OVER A CENTURY OF BANKING SERVICE

33-14

DOM. ENGINEERING REVENUES LIMITED DURING PAST YEAR

Consolidated Report is Given to Shareholders for First Time

From Our Own Correspondent

MONTREAL.—Consolidated income of Dominion Engineering Works, controlled by Dominion Bridge Co., for 1932 was not sufficient to take care of bond interest charges after providing for depreciation. This is the first time that the company has issued a consolidated statement, past statements being for the present company only. In connection with the 1932 report, accounts of Charles Walmsley & Co. (Canada) are included.

The Walmsley subsidiary has not been operating over the last two years so that it is possible to make comparison of earnings for Dominion Engineering Works. Operations of the Walmsley unit have not been on a profitable basis over the last two years and the cost of meeting its obligations was provided by the parent company, but no account was given of the Walmsley assets in Dominion Engineering's report.

Details of Income

The income account for the past three years follow:

	‡1932	1931	1930
	$	$	$
Oper. prof.§	178,516	68,741	557,252
Bond int.	44,262	......	......
Balance	134,254	68,741	557,252
Sundry exp.	♦11,257	......	......
Balance	122,997	68,741	557,252
Deprec.	155,154	50,306	160,000
Balance	*32,157	18,435	397,252
Dev. & res.	35,167	18,435	43,613
Net prof.	*67,325	......	353,639
Divids.	......	75,000	500,000
Net dificit	67,325	75,000	146,361
Prev. bal.	1,247,670	1,322,670	1,469,030
P. & L. bal.	1,180,344	1,247,670	1,322,669

§Revenue from contracts, investments and miscellaneous earnings, after providing for taxes and all other charges.

‡Consolidated report for 1932, covering operations of Dominion Engineering Works Limited, and wholly owned subsidiary; prior reports for Dom. Engineering Works Limited.

*Deficit.

♦Expenses in connection with management trust.

WORKING CAPITAL

	‡1932	1931	1930
	$	$	$
Curr. assets	2,600,193	3,058,505	3,084,364
Curr. liabs.	762,957	1,049,537	800,953
Work. cap.	1,837,236	2,008,968	2,283,411

‡Consolidated.

Gain in Assets

Under the new set-up, the consolidated balance sheet of Dominion Engineering Works shows total assets at the end of 1932 amounting to $7,473,969 as against $6,660,165 in the general statement for 1931. The property account has been increased by about $1,200,000 to $4,271,042.

The liquid position of the company continues relatively strong. Investment in and advances to associated companies are down from $474,460 to $393,808. Investment in the bonds of Charles Walmsley—a new item—stand at $138,325. Cash on hand is down from $341,241 to $125,265. Dominion Government and other bonds have increased from $1,638,422 to $1,711,968. Call loans are off about $260,000 at $409,450.

Accounts receivable show a slight increase. Deposits on tenders remain about the same, while work in progress is carried on the balance sheet at $54,573 as compared with $124,636 a year ago.

Show Walmsley Bonds

Among the liabilities accounts payable have been reduced more than $250,000 to $762,957. Contingent and workmen's insurance reserve are unchanged. An item of $250,000 representing a reserve in the 1931 report for contingent liability on guarantee of Walmsley's outstanding bonds has been eliminated. The funded debt of Walmsley, on the other hand, now appears in the balance sheet at $729,500.

Reports on Conditions

In his report to the shareholders G. H. Duggan had the following to say in part:

"The property and undertaking of the Charles Walmsley and Company (Canada) Limited was acquired at the end of 1928 and during 1929 and 1930 the earnings of that company were sufficient to meet its obligations. With the recession in business of the last two years it has not been practicable to operate the plant of the Walmsley company on a profitable basis and, while the cost of meeting its obligations was provided for in the statements placed before you, no account was given of the Walmsley Company's assets.

"Due to general conditions prevailing during the year the business of your company was further restricted. New business entered was only 48.2 per cent of that in 1931 and 12.5 of that in 1930.

Details of Subsidiaries

"Dominion Hoist and Shovel Company. — Your company paid to the Dominion Hoist and Shovel Company, Limited, $50,000, the balance of its subscription for two thousand (2,000) shares of that company's stock.

"During the year that company added to its line by building a 1¼ yard gasoline crawler shovel and completed designs for a 1½-1¾ yard machine, but with the slackening of construction activity there has been little demand for construction equipment.

"The agreement with the Farrel-Birmingham Company, Inc., referred to in last year's report has been extended to cover their designs of machinery for the plastic industries such as rubber, linoleum, asbestos, celluloid and other similar materials; also to cover the well-known Farrel-Bacon jaw crushers.

"Your shops have operated throughout the year at a very small percentage of their capacity."

First Installment Bill Defeated in Quebec

From Our Own Correspondent

MONTREAL.—One of the two bills before the Quebec legislature which would affect installment selling has been defeated. The unsuccessful bill introduced by Robert Taschereau would have permitted landlords to seize all movables on their premises, whether paid for or not. Such a procedure, it was argued, would have left the vendor without protection and would have practically ended installment selling in the province.

There still remains the Dugas bill which deals with installment sales in a more modified way. It seeks to exact a minimum initial payment of 10 per cent on sales under $100 made on the installment plan. It also calls for registration of sales and would give landlords the right to pay up arrears of payments on movables on their properties and take possession of the goods in lieu of rental defaults.

Beet Tonnage Per Acre Higher

In a review of the beet sugar industry of Southern Alberta which appears in the annual report of the Lethbridge Board of Trade, attention is drawn to the fact that within the last four years the tonnage per acre of beets has risen from 7.47 to 10.80 and that many other improvements were recorded by the industry.

Insurance for Buyer and Seller

LIFE INSURANCE POWERS CURTAILED IN THIRTY STATES

Latest Effect of U. S. Crisis is Ban on New Dividends

Rapid and far-reaching events of importance to life insurance companies on this continent and particularly to Canadian companies operating in the United States, have been taking place as a result of the banking crisis and moratorium in the United States.

First came the ruling of George S. Van Schaick, insurance czar of New York State, restricting loans and cash value payments on life insurance policies by companies operating under New York law. This order was dated March 9 and by it, policy loans were restricted to not in excess of $100 in cases of extreme need. For industrial insurance a more liberal application was allowed if warranted by personal investigation.

The measure was taken as a precautionary move to conserve insurance assets at a time of financial stringency and panic in which the majority of ordinary banking institutions were either totally or materially impaired.

Spreads to Other States

This move was followed rapidly by similar action in the majority of states in the union under the emergency powers vested for the time being in the individual state commissioners of insurance. Latest information received by The Financial Post indicated that some type of restraining legislation had been introduced in approximately thirty states.

The New York ruling of G. S. Van Schaick was partially modified later last week, however, when the original ban on policy loans was modified to permit individuals or companies to obtain loans on their policies or to transfer them for cash if such action is necessary to meet payrolls or other obligations.

Dividends Banned

On March 17 a new order was issued preventing domestic companies in the State of New York from declaring dividends either to share or policy holders during the period of the emergency decree curtailing policy loans and cash value payments. This applies to some of the largest insurance companies in the country but will be effective only if the period for regular dividend distribution becomes due during the life of the emergency decree.

Thus, those companies whose policy years begin with the calendar year will not be affected because the customary plan is to declare dividends for policyholders at the beginning of the policy years. Were the ban to continue during 1933, however, it would probably prevent these companies from declaring any dividends either to stock or policy holders for 1934.

Companies affected which do business in Canada are the Metropolitan Life, the New York Life, Mutual of New York and the United States Life. It is not known, however, that any of these companies will be affected immediately by the dividend ban, which as already noted depends on the date of the company's policy year.

Canadian companies doing business in the United States together with the jurisdictions in which they operate, according to the latest blue book returns of the Federal Government, are as follows:

CANADIAN LIFE COMPANIES IN UNITED STATES

Canada Life—Alabama, California, Florida, Illinois, Maine, Michigan, Minnesota, New Hampshire, New York, Ohio, Oregon, Pennsylvania, Texas, Washington, Hawaii.

Confederation—New York.

Crown Life—Michigan, Washington, Hawaii, Porto Rico.

Dominion Life—Michigan.

Great West Life—Illinois, Michigan, Minnesota, North Dakota, Washington.

Imperial Life—California, New York.

Manufacturers Life—California, Illinois, Michigan, Ohio, Oregon, Pennsylvania, Washington, Alaska, Hawaii, Phillipine Islands, Porto Rico.

Mutual Life of Canada—New York.

National Life—Michigan.

North American Life,— Illinois, Michigan, Pennsylvania, Washington.

Sun Life of Canada — Alabama, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Iowa, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, North Caroline, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wyoming.

PROPOSE INCREASE IN SPRINKLER TAX

Calgary Would Raise Tax from 5 to 25 Cents Per Head

Strong opposition of a proposal of the City of Calgary to impose a tax of 25 cents per sprinkler head for the first 300 sprinklers in a factory, 15 cents each for the next 200 and 10 cents each for all over 500, was expressed in a letter from the Calgary branch of the Canadian Manufacturers' Association to the Mayor and City Commissioners. This proposed taxation marks a decided increase from the flat rate of five cents a sprinkler head now in force in Calgary.

It was pointed out that sprinkler systems represent a large capital investment, and not only, as commonly supposed, mean a saving to the sprinkler owners of insurance rates, but create a lower average rate for the whole city. The more sprinkler systems there were in the city the less chance there was of a large fire and the saving in fire-fighting equipment and water was considerable, the letter stressed.

New Incorporations

Certificates of registry have recently been issued by the Dominion Department of Insurance to the following compaies:

Retail Lumbermen's Inter-Insurance Exchange, authorizing it to transact in Canada the business of fire and tornado insurance. F. W. Ritter, Winnipeg, has been appointed Canadian chief agent.

Northwestern National Insurance Co. of Milwaukee, Wis., authorizing it to transact, earthquake, inland transportation and personal property insurance in addition to the classes for which it is already registered.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000	26,323,000
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	....
April	46,718,000	51,342,000	51,649,000	45,648,000	33,629,000	....
May	49,581,000	50,547,000	48,571,000	41,314,000	30,998,000	....
June	51,384,000	53,402,000	54,168,000	46,227,000	40,963,000	....
July	49,492,000	54,800,000	46,505,000	39,977,000	34,469,000	....
August	43,508,000	41,329,000	36,249,000	35,738,000	28,370,000	....
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	....
October	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	....
Nov.	54,865,000	55,624,000	46,186,000	38,860,000	34,008,000	....
Dec.	58,647,000	54,189,000	49,026,000	47,163,000	33,483,000	....
Total, 1st 2 months, 1933						$56,690,000
Total, 1st 2 months, 1932						$75,476,000
Decrease 1933, to date, 25%						$18,786,000
Decrease, February, 1933, from February, 1932, 31%						$11,822,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1932. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

New '33 Dividend Scale Announced by Sun Life

A new scale of dividends to participating policyholders effective April 1 has been announced by the Sun Life Assurance Co. The most important feature of the change is that the 1933 schedule for annual dividends will be 80 per cent of the corresponding schedule in 1932. Only a comparatively small change has been made in quinquennial dividends.

Officials of the company state the change is in line with the company's policy of adjusting dividends to general business conditions. In the past 20 years the company has made 16 dividend adjustments of which 13 have been increases and 3 decreases.

Arthur B. Wood Comments

In his statement announcing the lower schedules for 1933, Arthur B. Wood, vice-president and managing director says in part as follows:

"That this policy is sound in principle and advantageous to policyholders is shown by the low average net cost of assurance afforded by the company over the past ten, fifteen, or twenty year periods embracing the extremes of prosperity and depression, war, epidemic and other conditions affecting surplus earnings. The present dividend scale, therefore, should not be regarded as a standard for determining future results; it should be regarded as temporary and occasioned by an abnormal condition. Inoreases will be made, as in the past, when improved business conditions warrant.

"We believe that the course we have followed will be appreciated as being consistent with sound and conservative principles."

NEW BUSINESS OF AETNA LIFE $4,817,000 IN '32

Business in Force in Canada Now Totals Nearly $84,000,000

New business paid for in Canada by the Aetna Life Insurance Co. of Hartford totalled $4,817,000 in 1932, according to figures submitted to The Financial Post this week. Of this total $766,500 was group business. The corresponding figures of new business paid for in 1931 was $10,245,000, of which $902,000 was group business on new policies and $5,325,000 group business on old policies.

Total business in force in Canada at the end of 1932 now amounts to $83,881,000 the company reports. Of this sum $31,108,000 is group business. Total assets in Canada were $13,067,000 as at the end of 1932.

Majority Non-Par

The majority of business written in Canada in 1932 by Aetna was non-par ordinary, the figures reveal. Of the total new business paid for in the past year ($4,817,000) approximately $3,375,144 was non-par ordinary business. Of total ordinary business in force in Canada, $42,629,000 is non-par ordinary and $10,144,000 is on participating basis.

Some indication of the total business of the company at the end of 1932 is indicated by the fact that at that time total assets were over $446,604,000, while total business in force was $3,457,451,000. New business paid for by the entire company in 1932 was over $546,000,000. Chief agent for the company in Canada is E. J. Christmas.

A slight increase in rates on non-participating policies will be put into effect by the company on April 1. In explaining this move in the company's year book, President Morgan B. Brainard points out that it is in line with the policy of reducing dividends on policies on which such disbursements are made. On the life income plan, at stated ages a different scale of rates will be adopted for women.

Head Office—Hartford, Conn., U.S.A.

Head Office in Canada—414 St. James St. West, Montreal.

Capital:

Authorized	$50,000,000
Subscribed	15,000,000
Paid-up	15,000,000

Classes of Business Written: (In Canada)

Ordinary Business:

	Paid For 1932	Ttl. in Force Dec. 31, 1932
	$	$
Participating	675,242	10,143,937
Non-par	3,375,144	42,629,404
Group	766,500	31,107,850

Growth of Business (In Canada)

Year	Assets $	Business in Force in Can. ($000)	New Ins. Paid for ($000)
1912	5,573,896	20,622	1,871
1917	6,190,599	28,162	4,163
1922	7,651,198	58,325	6,287
1927	10,402,035	85,243	9,211
1931	12,949,000	92,258	10,245
1932	13,066,562	83,881	4,817

Total Assets	$ 446,603,863
Total Business in Force Dec. 31, 1932	3,457,450,658
Total New Insurance Paid for 1932	546,468

Insurance Inklings

J. L. McLACHLIN, B.A., A.I.A., A.I.S., has been appointed assistant secretary of the Confederation Life Association. For the past several years Mr. McLachlin has been in charge of the company's statistical department.

Great-West Life Assurance Co. has announced its regular quarterly dividend of 5 per cent payable April 1 to shareholders of record March 20.

Confederation Life Association, Manitoba division, recently held a conference in Winnipeg with head office officials of the company.

Marine Insurance Co., Ltd., has withdrawn from the province of Alberta.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM

Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

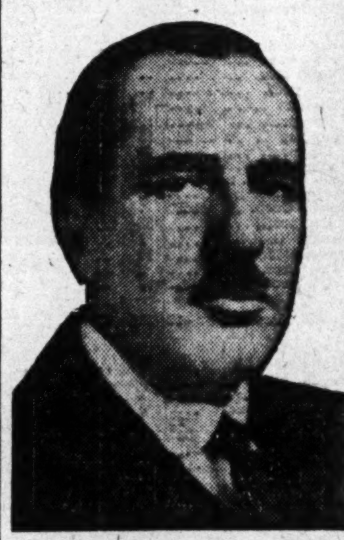
Surplus Gain In Past Year For Fire Ins. Co.

Net premiums written of $291,078, a decline of $17,487 from the corresponding figure of the previous year, are shown in the annual report of the Fire Insurance Co. of Canada for 1932. A net loss ratio of 59.4 per cent is reported as compared with a similar ratio of 63.3 per cent in 1931.

Net profit for the year after meeting losses, expenses and taxes amounted to $54,564. Loss on stocks and exchange of investments was $60,346, but of this sum only a net amount of $13,572 was charged off to surplus account, the remainder being taken care of out of monies reserved in prior periods. Surplus account at the end of 1932 therefore showed a net gain of $37,000 at $334,836. In addition to this the company has a contingent reserve of $25,000 and capital stock subscribed and paid up of $425,000.

Among assets, investment securities shown at authorized values were shown at $1,049,454, while cash in bank totalled $115,370.

Ottawa Manager



ARTHUR F. NATION
Appointed manager of the Ottawa branch of the Great West Life Assurance Co.

THE ONTARIO EQUITABLE
PROTECTION
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO

The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

BRITISH CANADIAN INSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1917

Sharp Decline In Life Sales In February

New ordinary life insurance paid for in Canada and Newfoundland during February totalled $26,323,000 a drop of 31 per cent from the corresponding figure of the same month a year ago, according to figures compiled by the Sales Research Bureau of Hartford. The figures cover the business of 15 leading companies doing business here and having in force approximately 84 per cent of total business in the two countries.

Comparison with United States figures shows that new ordinary business written in that country in February was approximately 26.5 per cent below the corresponding figure of 1932.

P. E. I. Makes Gain

Of the Canadian figures Prince Edward Island made the best showing with a gain of about 20 per cent in new business for the month. All other provinces reported less new business than at this time last year.

For the first two months of the year new ordinary business is down approximately 25 per cent from the same period in 1932. Comparative figures follow:

February Sales of Ordinary Life Insurance

	1933	1932
	$	$
Alberta	994,000	1,491,000
Br. Columbia	1,617,000	2,112,000
Manitoba	1,522,000	2,069,000
New Brunswick	615,000	937,000
Nova Scotia	869,000	1,241,000
Ontario	11,148,000	16,390,000
P. E. I.	116,000	97,000
Quebec	8,315,000	12,157,000
Saskatchewan	893,000	1,368,000
Newfoundland	234,000	288,000
Total	26,323,000	38,145,000

WESTERN LIFE INS. REPORTS PROGRESS

Dividend Coming Next Year to Shareholders, Says W. E. Milner

A gain in surplus and also a setting aside of $40,000 to contingency reserve are reported to The Financial Post by W. E. Milner, managing director of the Western Life Assurance Co. of Winnipeg, as features of the company's operations in 1932.

A year ago the company showed free surplus of $128,000. This is now increased by about $10,000 in addition to which a contingency reserve of $40,000 has been set up for the first time. Paid up capital stock in addition to surplus total is $138,000. Nine years ago the company had a capital impairment of about $61,000 all of which has been wiped out in addition to the gains in surplus already noted.

Total business in force at the end of 1932 amounted to approximately $10,000,000 although no figure is available as to new business written or paid for.

"We had a very good year in 1932 as far as finances were concerned," Mr. Milner told The Financial Post. "The company is in the very best shape it has been in since its organization. We are now making splendid progress and are paying dividends to policyholders. Next year we will pay dividends to stockholders.

President of Yale Univ. on New York Life Board

Dr. James Rowland Angell, president of Yale University has been appointed to the board of directors of the New York Life Insurance Co. to succeed Calvin Coolidge, according to an announcement made by the president of the company, Thomas A. Buckner.

Dr. Angell is the second university president to serve on this company's board. Nicholas Murray Butler, president of Columbia University having been a member since 1915.

"Life insurance in its best forms is one of the great triumphs of modern civilization, a protection at once to society and to the individual," a prepared comment of Dr. Angell on his election stated.

MONTREAL PLANS TO TAX MUTUALS ACTIVE IN CITY

Seeks to Impose Charge of $300 — Not Yet Approved

From Our Own Correspondent

MONTREAL.—Proposals to impose a tax of $300 on mutual insurance companies operating but not maintaining offices in Montreal have been greeted with mixed sentiments. The plan, included in the much debated Montreal Bill, has been approved by the private bills committee but must be passed by the Upper House in Quebec.

Opponents of the bill point out that it would work for hardship both to policyholders and the companies themselves. Cases are mentioned where a company writes but five or six policies in the city and the low premiums involved would be boosted inordinately by the $300 tax. It might lead, in fact, to withdrawal of some companies from writing business in Montreal. Counsel for the insurance companies argued before the bills committee that the tax was discriminatory and would drive several organizations from the province.

Joint Stocks Pay

On the other hand it is pointed out that joint stock companies already pay a 1 per cent tax on premiums written on property located in Montreal. Further, the minimum payment is $200 and it is payable to the city. Quebec has an impost along the same lines. Thus the joint stock companies would not be averse to seeing the new $300 tax imposed on mutuals.

THE CANADIAN WOODMEN OF THE WORLD
Organized 1893
Assets - - $1,944,370.66
Paid in Benefits $3,504,243.92

Issues a complete system of whole family protection, including Pension Policy and Endowment Policy maturing at age 65 or prior death, 20 Year Endowment, 20 Payment Life, Whole Life, Sick, Accident and Funeral Benefits, and Juvenile insurance, all on adequate rates.

Clear Surplus over all Liabilities of over $382,000.00, after setting aside a Special Reserve of $150,000.00.

All policies bear the seal of actuarial approval.

The Society with a Great Past, The Society with a Greater Future.

Head Office — London, Canada
CLAIR JARVIS, *Head Consul Commander*

Prudential of Am. Shows Gain in Canada Assets

Admitted assets in this country at the end of 1932 of the Prudential Insurance Co. of America totalled $92,468,103 according to information received from the company's head office at Newark by The Financial Post this week. The corresponding figure at the end of 1931 was $86,818,931 so that the gain for the year was over $5,600,000.

In addition to its purely Canadian assets the company has substantial holdings of Canadian bonds and mortgages included in its total assets. Canadian bond holdings at the end of the year totalled $125,000,000 and investment in Canadian real estate mortgage loans was $52,859,000.

In a summary table published last week in The Financial Post annual review of life insurance, no figures for the company's assets in Canada at the end of 1932 were available and inadvertently the figure of $48,529,243 was shown. The new figure of $92,468,103 replaces this.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

The Fire Insurance Company of Canada

MONTREAL

Balance Sheet as at December 31, 1932

ASSETS		LIABILITIES		
Cash in Banks	$ 115,370.53	Unearned Premium Reserve	$244,374.72	
Investment Securities at value authorized by the Department of Insurance, Government of the Dominion of Canada	1,049,454.26	Losses under adjustment	13,090.00	
Accrued Interest	12,268.37	Reserve Deposit of Reinsurers	177,004.82	
Due from Agents	99,161.26	Due to Reinsurance Companies	58,906.37	
		Accrued Taxes	15,397.77	
		Unclaimed Dividends	30.00	
				$508,803.68
		Contingent Reserve		25,000.00
		Capital Stock:		
		Authorized and Subscribed	500,000.00	
		Less: Amount of Subscriptions uncalled	75,000.00	
				425,000.00
		Surplus Account		317,450.74
	$1,276,254.42			$1,276,254.42

Hon. Senator RAOUL DANDURAND, K.C. P.C., President

J. A. BLONDEAU, Vice-President and Managing Director

Can You Qualify for this Service—and Saving?

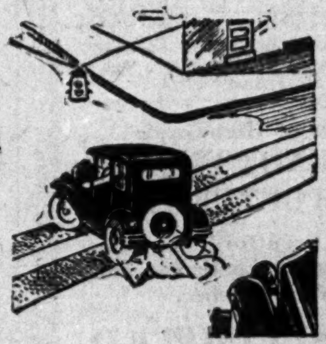
Loss Prevention is the Principle of Northwestern Service

Policyholders in the Northwestern Mutual Fire Association have the distinction of being selected risks, carefully considered and chosen by their company. They realize that it is money in their pockets to exercise care to avoid loss by fire or accident.

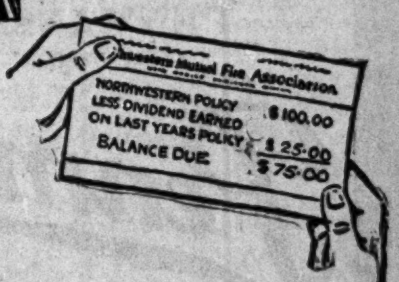
YOU PAY AS A DEPOSIT THE STANDARD RATES

CO-OPERATE WITH THE COMPANY'S INSPECTORS BY KEEPING YOUR PROPERTY FREE FROM FIRE HAZARDS.

DRIVE WITH CARE. OBSERVE TRAFFIC RULES AND REGULATIONS.



RECEIVE AS YOUR REWARD THE LOWEST POSSIBLE COST FOR SELECT INSURANCE.



During 1932

Northwestern Policyholders Received in dividends

$1,275,520.30

Since organization we have paid in saving to policyholders

$18,775,480.98

If you believe that you can qualify for this service write or telephone

THE NORTHWESTERN MUTUAL FIRE ASSOCIATION

Head Office: Imperial Building — Hamilton, Ontario

JAMES J. ALLEN—Manager for Canada. Phone B. 2458-4

BRANCH OFFICES

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MONTREAL Norman B. Douglas—Manager 605 University Tower Phone LA. 3694
OTTAWA R. L. Montrose—Manager 407 Blackburn Bldg., Phone QU. 2308
SAINT JOHN A. H. Mitton—Manager 79 Germain Street Phone 3-2951
HALIFAX J. C. Doyle—Manager Tramway Building Phone B-6014
CALGARY A. C. MacKay—Manager 88 Union Bank Bldg. Phone B6914
EDMONTON A. T. Williamson—Manager Northwestern Investment Bldg., Phone 6975
SASKATOON D. G. McPherson—Manager Canada Building Phone—4977
WINNIPEG Douglas L. Cameron—Mgr. Canada Building Phone—96 737
VANCOUVER J. H. Constantine—Manager 815 Stock Exchange Building Phone—Trinity 4266
VICTORIA A. C. Haynes—Manager 422 Sayward Building Phone—Garden 7641

A. J. Pattison, Jr. & Co. LIMITED

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Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MARCH 20

[illegible]

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* Stock dividend.
§ On account of arrears covering quarter ended Mar. 31, 1932.
* Plus final dividend of 17½c. payable Mar. 31.

COTTON TRADE FACES PROBLEM, SAYS GORDON

Head of Montreal Cottons Tells Shareholders of Conditions

From Our Own Correspondent

MONTREAL.—Conditions in the cotton manufacturing business are the worst experienced in many years, according to a statement made by Sir Charles Gordon, chairman of the board, at the annual meeting of Montreal Cottons Co. Increased importations from Lancashire and the depreciation of the pound sterling have been two factors which have militated against an improvement in the Canadian cotton textile trade for several months past.

Sales of Montreal Cottons last year amounted to $2,754,373, as compared with $3,135,169 in the previous year, said Sir Charles, who went on to say:

"There was very little difference in unit values between the two years, and the reduction in dollars also represents a reduction in yardage sold. This condition, to some extent, has been due to the increased importation, from Lancashire sources, of goods which your company has supplied in former years to the Canadian market. The increase in importations can be attributed largely to the lower laid down costs of British goods, as a result of the depreciated value of the pound sterling, which has been effective over the entire past year, and the result of which has been mitigated, but not met, through the currency exchange regulations put out by the Government.

Lower Production Costs

"During the past year an expenditure of $440,408 has been made on capital account, and is represented in further additions to the equipment and improvements in the condition of the plant. That some benefit is being derived from the extensive reorganization work conducted over the past two years, is evidenced by successive reduction in manufacturing loss from $329,360 in 1930, $246,840 in 1931, to $75,003 in 1932. These reductions have taken place in the face of very adverse operating conditions, particularly in 1932, where the plant has not operated at 50 per cent of capacity."

Directors of the company were re-elected and at a subsequent meeting of the board, the following officers were appointed: Sir Charles B. Gordon, chairman; F. G. Daniels, president and managing director; Sir H. S. Holt, vice-president; Wm. C. Finley, J. C. Black, Sen. Raoul Dandurand and G. Blair Gordon, directors; H. A. Wilson, secretary-treasurer and C. W. Gurnham, assistant secretary-treasurer.

Latest development in paper manufacture

"Sampson White Envelope"

has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.

Toronto Envelope Co. LIMITED

366 Adelaide St. W., Toronto

The National City Company, Limited

The National City Company Limited of Canada, subsidiary of The National City Company of New York, with offices at 360 St. James Street, Montreal, and Canada Permanent Building, Toronto, announces its decision to withdraw from the sale of investment securities in the Dominion of Canada, and will therefore discontinue these offices for the sale of securities. The Montreal Office of the Company will be maintained for other activities. The members of the Advisory Board have resigned.

TAX RECEIPTS UP IN FIRST 11 MONTHS

Ottawa District Only One to Make Substantial Gain

Income tax receipts for the eleven months ended February, 1933, are $300,251 higher than the corresponding period of 1932, although Quebec, Hamilton and London and all the western districts recorded declines.

Ottawa district leads in increases with collections of $4,203,827 compared with $2,681,160, an increase of nearly 57 per cent. Toronto and Montreal both recorded small increases. Complete returns by districts are as follows:

Income Tax Receipts By Districts
(Eleven Months Ended Feb. 28)

Districts:	1931-32 $	1932-33 $		Increase or Decr. $
Charlottetown	40,103	84,181	+	44,077
Halifax	810,573	865,442	+	54,869
St. John	521,638	578,685	+	56,996
Quebec	1,035,183	963,038	—	72,144
Montreal	19,126,227	19,454,830	+	328,602
Ottawa	2,681,160	4,203,827	+	1,522,666
Kingston	134,611	129,733	—	4,877
Belleville	303,859	381,555	+	77,696
Toronto	16,826,888	16,973,608	+	146,720
Hamilton	4,839,282	4,090,602	—	748,680
London	5,038,683	4,695,604	—	343,078
Ft. William	179,584	191,016	+	11,432
Winnipeg	2,150,246	2,099,559	—	50,686
Regina	194,741	192,059	—	2,681
Saskatoon	194,585	140,866	—	53,718
Calgary	1,345,713	991,960	—	353,752
Edmonton	412,519	390,625	—	21,893
Vancouver	4,197,408	3,904,409	—	292,999
Yukon	9,849	11,553	+	1,703
Total	60,042,860	60,343,111	+	300,251

FEBRUARY PERMITS SET NEW LOW MARK

Lowest Monthly Total Since Compilation Started in 1920

February building permits for the 61 leading cities of the Dominion, as compiled by the Dominion Bureau of Statistics, eclipsed the previous low record of January and became the lowest total recorded since the compilation of these statistics was begun in 1920. Permits issued in February amounted to only $906,906, or 22.1 per cent less than in January and 68.1 per cent less than the February, 1932, total.

Only one engineering project was reported during the month and that was for only $10,000, dwellings made up about $300,000 and the balance consisted of other buildings.

Three cities, Vancouver, Montreal and Toronto, reported permits over the $150,000 mark, the respective totals being $195,875, $194,210 and $152,792, while Ottawa is next in order with permits of only $42,525. The total for Vancouver was higher than in either January or February, 1932, while the Toronto figure was greater than the January total.

£

5½%

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Safe beyond question and unconditionally guaranteed

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THE STERLING TRUSTS CORPORATION

Sterling Tower, TORONTO

Manufacturers of High-Grade KNITTED UNDERWEAR HOSIERY and OUTERWEAR

Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.

PENMANS LIMITED

General Offices: Paris, Ontario

Penmans

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Murray Bay, Que. Sault Ste. Marie, Ont.
Beaupre, Que. Iroquois Falls, Ont.
Sturgeon Falls, Ont. Smooth Rock Falls, Ont.
Espanola, Ont. Fort William, Ont.
Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint

Groundwood Pulp News Sulphite Pulp

High Grade Bleached Sulphite Pulp

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

March 21, 1933

[illegible]

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

March 21, 1933

[illegible]

Government, Provincial & Railway Bonds:

	Bid	Asked
C.N.R. 4½% 1951 Dom. Gtd.	97.50	98.50
C.N.R. 4½% 1957 Dom. Gtd.	97.25	98.50
C.N.R. 5% 1969 Dom. Gtd.	102.50	103.50
C.P.R. 4½% 1944	67.00	70.50
C.P.R. 6% 1942	87.50	89.00
Dom. of Can. 5% 1936	101.50	102.00
Dom. of Can. 5% 1941	101.50	102.00
G.T.P. 3% 1962 Dom. Gtd.	78.00	79.00
G.T.P. 4% 1962 Dom. Gtd.	91.50	93.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	89.00	90.00
Ont. Hydro 4½% 1970 Ont. Gtd.	97.50	99.00
Ont. Hydro 4% 1957 Ont. Gtd.	89.50	....
Prov. of N. B. 5% 1957	97.50	99.00
Prov. of Ont. 5½% 1946	105.00	106.00
Prov. of Ont. 5% 1948	100.50	102.00
Prov. of Ont. 5½% 1946	105.00	106.00

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Dividends Declared

[illegible]

	Present Annual rate	Amt. this payment	Date payable	Date of record
Siscoe Gold Mines	$1	25c	Apr. 1	Mar. 15
Southern Can. Power, pfd.	12c	3c	Mar. 31	Mar. 15
Simpson, Robt., pref.	6%	1½%	Apr. 15	Mar. 1[illegible]
Standard Fuel pfd.	$6	$3	May 1	Mar. 20
Tamblyn, pref.	$6.60	$1.62½	Apr. 1	Apr. 15
Toronto Gen. Trusts	7%	1¾%	Apr. 1	Mar. 16
Toronto Mortgage	$8	$2	Apr. 1	Mar. 22
United Securities	$6	$1.50	Apr. 1	Mar. 18
Weston, Geo., c.	$2	50c	Apr. 15	Mar. 15
West Kootenay Power, pref.	$1	25c	Apr. 1	Mar. 31
Western Grocers pref.	7%	1¾%	Apr. 1	Mar. 20
Wright-Hargreaves	$7	$1.75	Apr. 15	Mar. 27
	20c	5c	Apr. 1	Mar. 1[illegible]

Dividends Passed or Deferred:

Standard Steel Construction, pref. Apr. 1, passed. Last paid 75c. Jan. 1, 1933.

Sherwin-Williams, pref. Mar. 31, deferred. Last paid $1.75 Dec. 31, 1932.

Gurd, Chas., c. Apr. 1, deferred. To be considered again in April 1933.

Tip Top Tailors, pref. Apr. 1 deferred. To be considered in June 1933.

Can. Pacific Railway, pref., Apr. 1, passed. Last paid 2% Oct. 1, 1932.

Holt Renfrew, pref., Apr. 1 deferred. Last paid $1.75 Jan. 3, 1933.

Dividend Rate Reduced:

Burt, F. N., com. Apr. 1, $2.40 to $2 per annum.
Can. Canners, 2nd pref. Apr. 1, 40c. to 20c. per annum.
Dominion Textile, com. Apr. 1, $5 to $4 per annum.
Bell Telephone, Apr. 15, $7 to $6 per annum.
Can. Permanent Mortgage, Apr. 1, $12 to $10 per annum.
Hunts, "A" & "B" Apr. 1, $1 to 50c. per annum.
Landed Banking & Loan, Apr. 1, $8 to $6 per annum.
Goodyear Tire, c. Apr. 3, $5 to $2.40 per annum.
Huron & Erie Mtge. Apr. 1. $8 to $7 per annum.
National Trust, Apr. 1, $12 to $10 per annum.
Central Canada Loan. Apr. 1, $10 to $8 per annum.
Canada Bread, 1st pref., Apr. 1, $7 to $4 per annum.
Toronto General Trusts, Apr. 1, $10 to $8 per annum.

Extra Dividends:

Dome Mines, 20c. Apr. 20.
Imperial Tobacco, c. 17½c. final div., Mar. 31.

Dividend Rate Increased:

Wright-Hargreaves, Apr. 1, from 2½c. to 5c. quarterly.

Listed Bond Quotations

Week Ending March 20

[illegible]

† Latest ask ‡ Quotations for 1930. * For 1931. * For 1932. None recorded in 1933 to date. § Payable in Canada and New York

Winnipeg Stock Exchange

(Transactions for week to Mar. 17)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Mar. 17
..	..	Assoc. Breweries	45	4	4	4
..	..	Central Manitoba	800	.10½	.10½	.10½
..	..	Can. Indust. Alcohol	100	1½	1½	1½
..	..	Ford of Canada "A"	20	7¼	7¼	7¼
20	8.2	Great West Life	30	245	245	245
..	..	North Star Oil, c.	200	1.15	1.10	1.10
35c	14	Do., pref	280	2.50	2.50	2.50
1.25	11.9	United Grain Growers	10	10½	10½	10½

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumber Co.	..	65
Beaver Fire	..	100
City Dairy 8% pf.	..	35
Cres. Cream. pfd.	..	45
Home Investment	22	..
Monarch Life 10% pd.	16	..
Nor. Mtg. part pd.	..	5
Pelissiers, pref.	10	..
Nor. Can. Mtg. pf.	..	15
Northern Trust	..	21
Reliance Grain, pf.	41	..
Sovereign Life 25% pd.	..	15
West. Breweries	..	[illegible]
West St. Prod., pf.	..	[illegible]
Can. Amer. Tr. shs.	..	[illegible]
Fundamental Ser. A	..	[illegible]
Fundamental Ser. B	..	[illegible]
Group Inc. shs.	3.30	[illegible]

*Stocks more active on other exchanges not included.

HOLT RENFREW LOSS INCREASED; OMITS PREFERRED

Total Deficit $279,401 After Payment of Dividends

From Our Own Correspondent

MONTREAL.—Operating loss of Holt, Renfrew & Co. in the year ended January 31, 1933, was $141,621 compared with a loss of $89,082 in the previous year. After interest, bond discount and depreciation net deficit was $209,401 and payment of preferred dividends increased the total loss for the year to $279,401 compared with $211,815 in the preceding period. Preferred dividends have now been suspended.

It is stated that distressed competition both bankrupt and near bankrupt and sharply lowering markets, especially during the first three quarters of the year, made profitable trading impossible. The company operates high grade clothing stores, specializing in furs, in Quebec, Montreal, Toronto and Winnipeg.

Following is a comparison of profit and loss for the past two years ended January 31:

	1932-33 $	1931-32 $
Profits	†141,621	†89,082
Interest, etc.	45,490	39,252
Balance	*187,111	*128,334
Deprec.	22,290	10,203
Balance	*209,401	*138,537
Conting's	......	3,278
Net profit	*209,401	*141,815
Pfd. divid.	70,000	70,000
Balance	*279,401	*211,815
Com. divid.	......	......
Surplus	*279,401	*211,815
Prev. surplus	670,436	882,251
P. and L.	391,035	670,436

†Operating loss.
*Deficit.

Working Capital

	1933 $	1932 $
Current assets	1,094,109	1,470,131
Current liabs.	45,106	26,076
Working capital	1,049,003	1,444,055

Reduction in cash and inventories are responsible for the decrease in working capital. Cash is down $265,000 at $19,206 and inventories have been written down to $690,581 compared with $727,175. Investments are carried at $55,035, a figure which includes holdings of the company's own bonds. Goodwill is unchanged at $772,453.

In liabilities bank loans of $20,000 are revealed but it is stated that these have been paid off since the end of the year. There are no accounts payable while a balance owing on property purchased was reduced by $101,200 to $202,500. Depreciation reserve is unchanged at $70,000. During the year there were redeemed $21,000 of first mortgage bonds leaving $444,000 outstanding. Surplus has been reduced by $279,000 to $391,033.

Studebaker Receivership Does Not Affect Canada

Friendly receivership of the Studebaker Corporation, South Bend, Ind., will not affect the Canadian subsidiary in any way, according to a statement made by D. R. Grossman, vice-president and general manager of Studebaker of Canada.

Production of Rockne, Studebaker and Pierce Arrow cars will continue in Canada without interruption as the Canadian company is not included in the receivership in any way, it was stated.

An Opportunity

We invite your investigation of the merits of a newly formed gold syndicate located in the heart of Ontario's newest and most promising gold camp — the Swayze Gold Camp.

This syndicate controls approximately 320 acres, 8 claims, within close proximity to the Kenty Gold Mines.

Showings of free gold and gold-bearing ore appear to continue across the whole width of the properties and apparently are a direct continuance of the recent sensational find on the property of the Kenty Gold Mine.

It is the intention of the syndicate to start an active development campaign at once, and the syndicate has contracted for diamond drilling of the properties.

This syndicate is capitalized at $35,000 and is divided into 3500 units at $10.00 a unit. Each unit entitles the holder to 200 shares, $1 par, of non-assessable capital stock of a company to be incorporated with a capitalization of 2,000,000 shares of a par value of $1 each, in accordance with the terms of the syndicate agreement.

For full information, without obligation, write

Box 112, The Financial Post, Toronto

FOR SALE

The valuable Gold Mining property situated at Harrigan Cove, Halifax County, Nova Scotia. (Formerly known as St. Anthony), comprising 233 acres with frame of mill, stamps, boiler, etc. One mile from highway and three miles from water transportation.

JAMES HALL
43 Chestnut St., Halifax, Nova Scotia

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

10 Gold Stocks to Yield 9%

We have prepared a circular dealing with the probable 1933 performance of the leading Canadian gold producers. It will be seen that an attractive average yield may still be anticipated. Copy on request.

JOHNSTON AND WARD
60 King St. West, Toronto
Royal Bank Building
MONTREAL
Members: Montreal Stock Exchange, Montreal Curb Market.

Receivers of S. W. Straus Co. Both Resign

Stating that, contrary to general belief, S. W. Straus & Co., Inc., did not guarantee real estate bonds which it sponsored and sold to the public and that this company is now "simply a shell" with assets of only $29,000 in cash and office equipment, Robert Moses and William M. Calder have resigned as receivers for the bankrupt investment banking concern of whose bond issue $380,000,000 is now in default. The receivers stated in resigning that they found themselves unable to give relief and assistance to holders of the Straus bond issues in default. Louis F. Schultze was appointed as new receiver.

In their letter of resignation Messrs. Moses and Calder stated that interests of the bondholders are supposedly protected by large committees which are soliciting the deposit of bonds covering all Straus mortgages and separate committees organized and are being organized to protect the interests of bondholders of individual properties. These committees are struggling for control of the bonds.

January Butter Output Down 360,000 Pounds

Creamery butter production in Canada in January amounted to 8,124,081 pounds, a decrease of 4.2 per cent from the 8,483,081 pounds recorded in January, 1932.

Ontario, the largest producer with 3,692,045 pounds, recorded an increase of 4.5 per cent over the previous year. All the other eastern provinces showed higher production than in 1932 but the western ones were all less. Production in the prairie provinces of 2,894,671 pounds was about 15 per cent less than in 1932.

GUARDIAN TRUST PROFITS LOWER FOR LAST YEAR

Company and Guaranteed Funds Decline, But Trusts Higher

From Our Own Correspondent

MONTREAL.—Decline in earnings in company funds and in guaranteed funds, but an increase in estates, trusts and agencies under administration is reported by the Guardian Trust Co. at the end of 1932 as compared with the same date a year ago.

The last year has been a difficult one for trust companies and the Guardian Trust's report indicates that it felt the effects of changed conditions. Gross revenues from operations shrunk from $49,834 in 1931 to $41,149.

Details of the income account for the past two years follow:

	1932 $	1931 $
Gross revenue	41,149	49,833
Less: Expenses	35,089	40,730
Net earnings	6,060	9,103
Less: Dividends	5,155	8,543
Balance	905	560
Add: Profit on invest. sold	1,443	......
Br't. forward	3,200	2,640
Carried forward	5,548	3,200

The balance sheet at the end of 1932 shows company funds to an amount of $144,951 compared with $147,661 at the close of 1931. The company assets are invested principally in three main divisions. Book value of first mortgages held has declined from $43,941 to $30,789. Collateral loans have shrunk from $39,102 to $27,934. Bonds held by the company, on the other hand, have increased from $31,058 to $42,871.

Guaranteed funds at the end of last year totalled $34,656, or nearly $7,000 less than in 1931.

Estates, trust and agencies under administration by the Guardian Trust increased during the year from $4,261,770 to $4,648,498.

QUEBEC PROPOSES MORTGAGE PLAN

Would Suspend Maturities on Certain Basis Until 1934

From Our Own Correspondent

MONTREAL.—Plans of the Quebec Government to bring before the present session of the legislature a special act serving to suspend, under certain conditions, payment of maturing mortgage principal, have been definitely announced. The projected law seeks to aid proprietors by suspending until May 1, 1934, payment of maturing mortgage principal due by them.

Under the proposed new law, no action could be instituted by mortgagees or creditors against the mortgagors in the Superior Court for non-payment of matured mortgage principal unless a notice of thirty days was given to the debtor. Within those thirty days the proprietor would have the right to appear before the court and ask a suspension of payment. Such suspension could only be granted by the courts upon certain proofs.

Must File Proof

The property owner would have to prove that all taxes had been paid on his property; that all interest was paid up on his mortgage loan, while he would have to prove before the court that he could not meet the principal due and that the creditor was in a position to wait for ultimate payment of the matured loan. Under these conditions, the Superior Court would be empowered to suspend payment until May 1, 1934. It has also been indicated that this suspension of mortgage principal would not apply to loans contracted on and after March 1, 1933.

Chamber of Commerce Probes Railway Problem

From Our Own Correspondent

MONTREAL.—Canadian Chamber of Commerce has circularized member Boards of Trade and Chambers of Commerce with a questionnaire respecting their views on the railway problem. Members are asked whether they favor recommendations outlined in the Duff report; the Beatty plan; or that the present competitive relations between the two railways should continue.

Mining Stock Quotations

Week Ending March 20

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 13 (or last)	High for week	Low for week	Close Mar. 20
1	.05	.02	Abana	100	.04	.03¼	.03¼	.03¼
1	.01½	.00½	Aconda	3,000	.00¾	.01	.01	.01
No	*.15	.15	Aldermac	......	......	......	......	......
1	.08½	.01	Alexandria	13,500	.02½	.02½	.02	.02
No	.05½	.03	Algoma	22,000	.03	.03	[illegible]	[illegible]
1	.01	.00¾	Algonquin	9,000	.00¾	[illegible]	[illegible]	[illegible]
1	.01½	.00¾	Amity C.	......	.01¼	......	[illegible]	[illegible]
No	.25½	.10	Amulet	28,522	.16	.20	[illegible]	[illegible]
1	.01	.00½	Apex	7,800	.00½	[illegible]	[illegible]	[illegible]
1	.03½	.02	Area	8,000	.02½	[illegible]	[illegible]	[illegible]
No	.04½	.01½	Arno	129,600	.03	.03	[illegible]	[illegible]
1	1.36	.74	Ashley Gold	620	1.20	1.10	[illegible]	[illegible]
1	.14	.02½	Bagamac	285,750	.08½	.09	[illegible]	[illegible]
1	.02	.00½	Baldwin	8,000	.00½	[illegible]	[illegible]	[illegible]
1	.20	.08	Barry Hollinger	43,760	.15	.14	[illegible]	[illegible]
No	1.00	.75	Base Metals	3,110	.85	.95	[illegible]	[illegible]
No	1.00	.98	Beattie	......	.98	......	[illegible]	[illegible]
1	.21	.08	Big Missouri	13,650	.16	.18	[illegible]	[illegible]
1	.18	.08½	Bobjo	36,500	.11	.12	[illegible]	[illegible]
1	.25	.15	Brett Trethewey	6,800	.15	.18	[illegible]	[illegible]
1	.03½	.01½	Brownlee	13,600	.03½	.03	[illegible]	[illegible]
1	.01	.00	Buckingham	......	.01	......	[illegible]	[illegible]
No	.04½	.02	Buffalo Can.	4,500	.03½	.03	[illegible]	[illegible]
No	.03½	.01½	Bunker Hill	70,400	.02½	.03	[illegible]	[illegible]
5s	.65	.60	B'Wana McKubwa	......	.65	......	[illegible]	[illegible]
No	.04	.03	Canam Metals	......	.03	......	[illegible]	[illegible]
1	.12½	.03	Can. Kirkland	2,600	.07	.07	[illegible]	[illegible]
1	.01	.00½	Capital Rouyn	4,000	.00½	[illegible]	[illegible]	[illegible]
1	.03½	.01	Cartier Malartic	2,000	.01½	.01	[illegible]	[illegible]
1	.30	.15	Castle Trethewey	16,995	.24½	.25	[illegible]	[illegible]
1	.15	.06	Cen. Manitoba	5,200	.12	.11	[illegible]	[illegible]
1	.28	.17	Cen. Patricia	5,410	.21½	.22	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.01½	.01	Porcupine Crown	5,000	.01½	.01	.01	.01
1	.01	.00½	Potter Doal	500	.00½	.01	.01	.01
1	*.12	.12	Powell Rouyn	......	......	......	......	......
1	.82	.60	Premier Gold	4,600	.75	.73	.70	.70
1	.02½	.01	Preston E. Dome	13,000	.01	.01½	.01½	.01½
No	.95	.70	Prospectors Air's	200	.71	.70	.70	.70
No	*1.00	1.00	Quebec Pros.	......	......	......	......	......
No	.15	.03	Quemont	1,000	.10	.07	.07	.07
1	.02½	.00½	Ribago	19,000	.00½	.00¾	.00¾	.00¾
1	.03	.01½	Ritchie	3,500	.01½	.01½	.01½	.01½
1	.04	.01	Robb Montbray	550	.02	.02	.01½	.02
1	1.21	.75	San Antonio	10,483	.82	.92	.84	.90
1	.03	.03	Seven Troughs	3,113	.03	.03	.03	.03
1	.54	.33	Sherritt Gordon	73,019	.48	.54	.42	.44
1	1.77	1.25	Siscoe	41,605	1.40	1.49	1.38	1.41
1	.10½	.04½	South Keora	1,500	.05	.05	.04½	.04½
No	.06	.01½	Stadacona	126,200	.03½	.03½	.03	.03
1	.14	.07	St. Anthony	19,750	.09	.13	.11	.11½
No	1.07	.60	Sudbury Basin	26,507	.99	1.05	.92	.95
1	.03	.00½	Sudbury Contact	2,500	.02	.02½	.02½	.02½
1	.01½	.00½	Sudbury Mines	5,500	.00½	.00½	.00½	.00½
1	.38½	.20	Sullivan	27,700	.30	.30	.26	.26
1	1.21	.72	Sylvanite	45,895	.85	1.00	.84	.86
1	.03½	.01½	Tashota	8,000	.02	.02½	.02	.02
	.18½	.15½	Tashota Goldfield	......	.18½	......	......	......

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 13 (or last)	High for week	Low for week	Close Mar. 20
1	5.10	3.70	Teck Hughes	17,700	4.01	4.30	4.00	4.10
1	.10	.04	Thom. Cadillac	5,500	.06½	.05	.04	.04
1	.20	.10	Towagmac	5,423	.14½	.20	.14½	.17½
1	2.00	1.10	Treadwell	100	1.50	1.50	1.50	1.50
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.02½	.01½	Rufus Argenta	200	.02½	.01½	.01½	.01½
1	.03½	.02½	Ruth Hope	1,000	.03	.03½	.03½	.03½
1	*.05	.02	Silverado	......	......	......	......	......
25c	.04½	.01	Silver Crest	47,500	.04½	.04½	.03½	.04½
50c	.01½	.01	Snowflake	10,000	.01	.01½	.01½	.01½
1	.25	.25	Sunloch	......	.25	......	......	......
No	*.06	.05	Vanalta	......	......	......	......	......
20c	*.02½	.01	Wellington	......	......	......	......	......
1	.05	.03	Whitewater	23,500	.04½	.05	.04½	.04½

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

Company	Rate	Yield %	Company	Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas‡	12½c.	....	Noranda	$1.10	....
Coniaurum†	3c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	17.14
Dome Mines	$1+30c.	8.44	Pioneer, B.C.	24c.	4.28
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	10.87	Siscoe	12c.	8.51
Howe Sound	40c.	....	Sterling Pacific Oil†	2½c.	....
Lake Shore	$2+$1	9.30	Sylvanite	4+1c.	5.81
McIntyre	$1.50	6.64	Teck Hughes	60c.	14.63
McLeod Oils‡	5c.	....	Wright-Har.	20c.	4.70

*Stock. ‡Interum. †Initial.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
March 20, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	81.00	5.95
Alberta	5	1 July, 1943	1 July	89.00	6.45
Alberta	6	1 Mar., 1947	1 Sept.	97.00	6.33
*British Columbia	4½	1 Oct., 1953	1 Apr.	84.00	5.85
*British Columbia	5	15 Jan., 1948	15 July	90.00	6.02
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.21
Manitoba	4	1 July, 1947	1 July	79.50	6.15
*Manitoba	5	2 Dec., 1959	2 June	89.00	5.81
Manitoba	6	1 Apr., 1947	1 Apr.	97.00	6.33
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.85	5.00
New Brunswick	5½	1 May, 1950	1 May	102.50	5.28
*Nova Scotia	4½	15 Nov., 1948	15 May	97.00	4.77
Nova Scotia	5	1 May, 1948	1 May	101.50	4.81
*Ontario	4½	1 Sept., 1944	1 Sept.	100.50	4.43
Ontario	5	15 Oct., 1948	15 Apr.	102.00	4.81
Ontario	5½	1 Feb., 1947	1 Aug.	106.25	4.88
P. E. I.	4	1 Apr., 1939	1 Apr.	94.85	5.00
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	97.00	4.43
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	85.00	6.44
Saskatchewan	6	15 Mar., 1952	15 Sept.	94.00	6.55
*Newfoundland	5	31 Dec., 1952	30 June	68.00	8.30
*Newfoundland	5½	1 July, 1939	1 July	78.00	11.50
*Newfoundland	6½	30 June, 1936	30 June	76.00	....
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	102.35	4.85
*Toronto	4½	1 Jan., 1955	1 July	96.50	4.76
*Vancouver	5	15 Jan., 1970	15 July	85.20	6.00
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.25
*Edmonton	5½	1 Apr., 1947	1 Apr.	82.85	7.50
Calgary	5	1 Jan., 1948	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	105.65	5.50
Saint John	5	15 Dec., 1950	15 June	97.70	5.20
Regina	4½	1 July, 1950	1 July	71.00	7.50
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.50	4.86

RUSSELL MOTOR CONTINUES TO PAY ON PREF. STOCK

Subsidiaries Lost in 1932—Paid Dividends From Accumulated Profits

Russell Motor Car Co. shows net gain of $67,894 for 1932 as compared with $103,090 in 1931. Preferred dividends of $84,000 at the rate of 7 per cent were paid as usual but common dividends were only $8,000 or $1 a share as compared with $26,000 in the preceding year. Net gain was made up of dividends from Canada Cycle & Motor Co., and net revenue from other securities.

It is explained by T. A. Russell, president, that the net profit does not represent profits made by subsidiaries as there was decreased volume in all branches of the company's business. Canada Cycle & Motor Co. suffered through reduction of volume of sales of bicycles, children's vehicles, skates and accessories, and it was necessary for it to draw upon its surplus from prior years for the payment of dividends to Russell Motor Car Co.

Likewise, operations of Canadian Acme Screw & Gear, Ltd., whose business is very largely connected with the motor industry through the manufacture of transmissions, shock absorbers, parts and screw products, were adversely affected, there being a loss of $138,978 after providing $39,483 for depreciation.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $	1930 $
Net profit	67,894	103,090	133,962
Less appropriations:			
Pref. divs.	84,000	84,000	84,000
Com. divs.	8,000	26,000	40,000
Surp. for year	†24,106	†6,910	9,962
Add: Prev. surp.	580,077	586,987	577,025
Less:			
Invest. reserve	125,000	......	......
Bal. carried fwd.	430,971	580,077	586,987

†Deficit.

Securities Valued at Market

As Russell Motor Car Co. owns all the shares of Canada Cycle & Motor Co. and more than 90 per cent of shares of Canadian Acme Screw & Gear, the situation of these two companies has an important bearing on the success for the year. Both companies kept plants in excellent condition, the report states, and depreciation reserves now amount to 75 per cent of total fixed assets of $2,380,882.

Willys-Overland, Ltd., in which the company is interested, also showed a loss in line with the important decline in operations shown for the third year in succession by the motor trade generally. Application of Willys-Overland Co., of Toledo, Ohio, for a receivership on February 15, 1933, in order to seek additional capital to carry on operations, led Russell Motor Car Co. directors to transfer the sum of $125,000 from the balance of profit and loss to "reserves for investments," increasing the latter to $556,407. This account is now ample to make full provision for the amount at which Willys-Overland shares are carried in the company's books and to provide sufficient reserves for outside securities held by the company to bring them down to market value as at the end of 1932.

The auditors' certificate states that "operating losses sustained by subsidiary companies during the concurrent period amounting to $148,084 have been regarded by us for the purposes of stating the company's position as applicable against net accumulated profits of former years not brought into account, or otherwise distributed, and which are ample for the purpose."

Working capital shows little change. Investments at book value of $597,812 show little change either in total or in distribution among bonds and stocks of various utility, bank and industrial companies. The change, as already noted, was made in the increase of the investment reserve from $431,407 to $556,407. Bankers' advances increased from $100,000 to $128,000.

Working Capital

	1932 $	1931 $	1930 $
Current assets	626,459	629,091	636,001
Current liabs.	142,000	120,525	120,525
Working capital	484,459	508,566	515,476
Ratio	4.41—1	5.22—1	5.28—1

MORRISON BRASS OPERATING LOSS AT 1931 LEVEL

Sales Dropped 20 p.c.; Increase Shown in Fixed Assets

Morrison Brass Corp. had an operating loss of $76,254 in 1932, slightly higher than the loss of $73,334 shown in 1931 although net sales of the company's manufactured products dropped 20 per cent below the 1931 level and merchandise purchased for resale was 48 per cent lower. The company is directly affected by building activity in Canada. Adjustment in surplus account to the extent of $62,217 provided for writing off entire value of company's former plant and moving expenses but reduced surplus to $202. Working capital dropped to $68,719 from $284,391.

The income and surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Operating loss*	76,254	73,334
Less:		
Invent. write-down	....	129,736
Pref. dividends	....	52,500
Surplus for year	†76,254	†255,570
Add: Prev. surplus	142,650	401,165
Less: Inc. tax, prev. year	3,977	2,945
Adj. of surplus	62,217	....
Balance forward	202	142,650

*Including reserve for bad debts.
†Deficit.

Cash and call loans show little change at $31,323 and accounts receivable are down to $56,550 from $121,087 and inventories to $321,900 from $352,094. Accounts and bills payable and bank loan are up to $282,211 from $270,579 while a note for $54,146 is included among current liabilities and was issued in part payment of the company's new building secured by $60,000 of unsold bonds. Reserve for bond and mortgage interest is shown at $5,797. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	410,873	504,970
Current liabs.	342,154	270,579
Working capital	68,719	234,391
Ratio	1.20—1	1.86—1

Fixed assets are up to $1,524,906 from $1,308,375 despite write-offs on old plant as a result of new plant and property acquired. To pay for this new property the company now has a mortgage payable of $104,750 and $100,500 of 7½ per cent first and general mortgage bonds in addition to the note shown in current liabilities. There remain outstanding 30,000 preferred shares of $50 par value and 60,000 no par common shares.

LARGE COMPANIES SHOWING INTEREST IN CARIBOO LODES

Old Placer Gold Camp Hums With Activity in Lode Mining

From Our Own Correspondent

VANCOUVER—More than $1,000,000 will probably be spent in the Cariboo district of British Columbia this summer in development of lode gold properties.

Newmont Mining Corporation, through its subsidiary, Cariboo Consolidated Gold Mines, Ltd., will probably spend betweeen $250,000 and $300,000 in the Barkerville area. The Howe Sound Company's subsidiary, Britannia Mining & Smelting Company, will probably spend about the same. In addition, there are the Granby Consolidated and the United States Mining & Smelting Company, both of which concerns plan heavy outlays. And then, of course, there is Cariboo Gold Quartz, pioneer of them all, whose tunneling at Cow Mountain started the present interest in Cariboo lode mining.

Interest Centres Cariboo Quartz

There are several indications that Cariboo Gold Quartz will play a rôle similar to Premier in Portland Canal district and Pioneer in the Bridge River country in inducing the investment of capital in adjacent enterprises. While Pioneer continues to show remarkable results and new ore bodies have been opened up recently, the Cariboo at present holds the centre of the stage as a result of the extensive staking that has been going on and the interesting prospect of converting an area that for seventy years has been famous as a placer field into a lode mining camp.

The news of developments on Cow Mountain by Cariboo Gold Quartz last year spread throughout the mining circles of the west, the geological theories of the Cariboo have been revamped to a considerable extent. While Dr. W. L. Uglow and several other mineralogists supported the idea that while the hard, wide "A" veins of the Cariboo had been thoroughly prospected and found to be barren, the chief hope lay in development of the narrower and submerged "B" veins. Now the "B" or cross fissure veins are stimulating interest in old Cariboo, which in the past was regarded exclusively as a placer proposition.

Bunker Hill Shareholders To Receive Toburn Shares

Shareholders of Bunker Hill Extension Mines met on March 18, in Toronto and approved of distribution of the company's holdings of Toburn Gold Mines shares on the basis of one Toburn for each ten shares of Bunker Hill Extension held. The date has not been set for the distribution.

Early in 1931 the company transferred the option it held on the old Tough-Oakes-Burnside property at Kirkland Lake, to the Premier Gold Mining Co., resulting in the formation of the Toburn Gold Mines. The mine was rehabilitated and placed in production last August. At the time the deal was consummated 360,000 shares of Toburn were issued to Bunker Hill Extension. The company's holdings of Toburn Gold shares constituted its principal asset.

Delta Mines Meeting To Transfer Properties

Shareholders of Delta Mines Syndicate held their annual meeting in Toronto on March 18 to ratify an agreement with Delta Metals Ltd., whereby certain property holdings of the syndicate will be transferred to the company for the stated purpose of establishing a plant and starting production. The company's properties are situated in Drury township, near Worthington, Ontario, and have been the subject of considerable speculation owing to the difference in the assay obtainable by the Ontario Department of Mines and the syndicate's engineer, Alexander Roy.

Hon. James S. Lyons, former minister of lands, forests and mines, pictured a rosy outlook for the company's efforts. No detailed report by a recognized engineer has been made public.

Columario Gold is to Re-organize

A special meeting of shareholders of Columario Gold Mines was called for March 27 in Toronto to approve of the sale of the company's assets to a new company to be formed having a capitalization of 2,500,000 no par value common shares.

C. C. Richardson, president of the company, states that it is imperative that the proposal be ratified in order that the necessary funds may be assured and to finance the erection of a mill and continue development at the company's property near Usk, in British Columbia.

Treadwell Yukon Co. Suspends at Mayo Yukon

Treadwell-Yukon Co. is to suspend all mining activity in the Mayo area, according to advice from White Horse in the Yukon. A few miners have been employed high grading at the Silver King property, but plans call for reducing the payroll to watchmen.

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ISLAND LAKE MINES HAS FIRST MEETING

Mill Being Transported to Site—Shaft Sinking is Proceeding

At the first annual meeting of Island Lake Mines held in Winnipeg on March 15, shareholders learned of the recent developments at the property on Gold Island, Island Lake, Manitoba, which was the pioneer find in the area.

Development has been concentrated on the Jack of Diamond group, where diamond drilling was so encouraging that it was decided to install a test mill of about 50 tons capacity.

The company was organized early in 1932 and is headed by H. R. Drummond-Hay. Ventures Ltd. conducted the early exploratory work consisting of some 5,759 ft. of diamond drilling and has since been engaged in transporting and erecting the mill under an option agreement whereby it becomes entitled to shares in consideration for work done.

Thirty-one drill holes were put down in the vicinity of Gold Island at intervals from 25 to 50 ft., covering a length of 500 ft. along the ore zone. The zone was explored by pilot holes for an additional 450 ft. to the east and 750 ft. to the west. Of the 31 holes drilled 24 encountered values ranging from $1.20 to $134.40 per ton in gold over a true width from a few inches to 13.1 ft.

Shaft Sinking Started

In his report Mr. Drummond-Hay points out that the one drill hole in the West Island zone is of no particular significance, but the geological conditions here are similar to the other zone and consequently the management feels encouraged by the preliminary results, but caution the shareholders that the properties are still undeveloped and still are prospects.

Development work is being aggressively prosecuted and a two-compartment shaft has been sunk by hand to a depth of 32 ft.

Freighting of the mining plant and mill to the property is under way, but some difficulty was met with owing to the treacherous conditions of the roads over the lakes and muskegs.

The balance sheet as at December 31, 1932, shows cash in the bank of $711 and accounts payable of $250. Of the 4,000,000 no par value shares authorized, 3,386,361 have been issued and 151,863 allotted to be issued pending completion of Ventures Ltd. agreement.

St. Anthony Gold Mines In New Financial Deal

St. Anthony Gold Mines has issued an annual report covering the year ended December 31, 1932, which shows current assets of $6,483 including $5,386 in supplies and $1,096 in concentrates. Current liabilities total $25,899 including $6,716 in accounts payable, $13,992 in loans from shareholders and $2,916 in salaries and wages payable.

H. P. Bellingham, president of the company, again reports that negotiations have been successful for additional finances. About a year ago a similar statement was made, but the net result of the year's effort is that the company is some $4,000 deeper in debt without any conclusive development to show at the property.

The pooling arrangement on 1,366,866 shares out of the 3,000,000 authorized has been extended to December 31, 1933, and shareholders are urged to join the pool to facilitate the new financial arrangement.

Genser, DeLeon Investments Open Office in Vancouver

Genser, DeLeon Investments Limited have opened a ground floor office at 574 Howe Street, Vancouver, where they will deal in mining stocks and other securities. They are members of the Vancouver Stock Exchange. The senior member of the new firm, William Genser, has had an office in the Stock Exchange Building.

National Silver Mines Interested in Texada Is.

National Silver Mines Ltd., which has extensive holdings in the Portland Canal mining division of British Columbia, is negotiating for gold prospects on Texada Island, according to Vancouver advice. O. B. Bush, president of the company, is said to have interested the company to conduct exploration on the west side of the island near Davis Bay.

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Canadian Mining News

SISCOE GOLD MINE PROFIT IS $559,918 MILL INCREASED

Best Ore on 725 Ft. Level With Width Averaging 14 Ft.

TAXES BOOST COSTS

Mine Made Ready For Mill Increase to 225 Tons Daily With Further Increases Planned

The fourth annual report of Siscoe Gold Mines, which is pioneering gold production in the Hurricana area of Quebec, now in the fourth year of its production activities, reflects a year of progress and expansion with a net profit of $559,918, equivalent to 12.2 cents per share, as compared with $312,442 or 6.6 cents per share in 1931.

The following tabulation gives income and surplus accounts for the past two years:

Income and Surplus Account
Years Ended December 31

	1932	1931
	$	$
Production	1,006,297	742,812
Less: Develop.	62,236	61,536
New shaft	37,271	17,090
Diamond drilling	32,731	....
Mining concess.	4,545	......
Mining	159,541	164,952
Milling	96,876	78,693
Bullion exp.	4,698	3,869
Camp maint.	6,959	4,278
Cottages	16,212	9,771
Insur. & taxes	6,569	8,052
Gen. mine exp.	27,222	21,698
Adminis. & gen. exp.	26,361	22,238
Transfer fees	5,244	2,062
Int. & exchange	....	450
Reserve for taxes	63,528	26,625
Net oper. earnings	456,304	321,498
Add: Other income:		
Interest on invest.	19,127	5,780
Cash discounts	561	167
Exchange comp.	129,634	44,913
Misc. income	27,423	7,847
Total net earnings	633,049	380,205
Less: Depreciation	53,131	67,763
Reserve for silicosis	20,000	....
Net profit	559,918	312,442
Less: Dividends	500,620	....
Surplus for year	59,298	....
Add: Prev. surplus	320,906	8,464
Less: Tax adjustment	3,352	....
Bal. carried forward	376,852	320,906
Earnings per Sh. & Dividend Record:		
Earned	$0.128	$0.066
Paid	0.11	nil

The following tabulation gives production and production costs since inception of operations:

Production, Years Ended Dec. 31

Year	Tons milled	Daily aver.	Recov. per ton	Bullion value
1929	29,836	83	$10.30	$307,404
1930	33,744	94	10.88	367,266
1931	55,675	150	13.35	742,812
1932	63,998	175	15.62	1,006,297
				2,153,779

Production Costs Per Ton
Years Ended Dec. 31

	1932	1931	1930	1929
	$	$	$	$
Devel. & explor.	1.39	1.41	2.87	2.10
Mining	2.49	2.96	3.08	3.03
Milling	1.51	1.41	2.24	2.53
Taxes & mktg.	1.07	.69	.27	.09
Gen. & adminis.	1.37	1.09	1.41	1.65
Total oper. costs	7.83	7.56	9.87	9.40
Depreciation	.83	1.21	.94	.75
Silicosis res.	.31	....	....	....
Total cost per ton	8.97	8.77	10.81	10.15
Recovery per ton	15.62	13.35	10.88	10.30
Oper. profit per ton*	6.65	4.58	.07	.15

*Exclusive of exchange compensation.

Satisfactory as the year's operations were from the standpoint of production and profit, there was an increase in the total cost of operations and J. T. Tebbutt, president of the company, calls attention to this rising cost and shows that direct federal and provincial taxation, sales taxes and silicosis contributions for the year, amounted to approximately $1,000 per man employed underground.

Notwithstanding capital expenditures made during the year to increase the mill capacity, the provision for depreciation showed a decline. An unusual departure from ordinary mining accounting was the omission of shaft sinking and diamond drill expense from the mine operating account which The Financial Post has included in the above set-up.

During 1932 approximately 75 per cent of the ore came from the first and second levels. The main shaft was deepened from the 600 ft. to the 1,000 ft. horizon and three new levels established at depths of 725, 850 and 975 ft.

Spectacular Ore On 725 Ft. Level

J. M. Forbes, general manager of the company, comments on the year's operations, saying that the 600 ft. level has been very satisfactory, while the 725 ft. level has so far been opened up for a distance of 300 ft. Some spectacular gold was encountered on this level and in so far as he is able to judge from preliminary work the ore appears to be about 14 ft. wide. The work of opening up ore on the 850 ft. level is progressing and in the south end near the shaft the width is about 12 ft. While the ore in this level is not as spectacular as that on the level above, it so far has shown promising values. Work has just started on opening up on the 975 ft. level and is expected to be in ore by the middle of April. The opening up of the Siscoe vein, which strikes at about 45 deg. to the western ore zone, is referred to as an interesting development during the year. It has been intersected on all levels to the 600 ft. level and considerable drifting has been done at the various horizons. Owing to the variation in the values, it is said to be somewhat difficult to give any figures, but it would seem probable that the stoping length on this vein will be at least 250 ft., extending from the surface to the 600 ft. level. Future work is designed to prospect this vein at lower levels. Ore reserves are estimated at 225,000 tons of commercial grade in sight of which 31,310 tons is broken ore in the stope.

During the past year the mill was increased from 175 to 300 tons daily capacity, made possible by the addition of another 675 h.p. Diesel engine because of the inability to obtain hydro-electric power under attractive contract conditions. Milling is being gradually increased to 225 tons daily and the mine has been prepared for this increased rate with provision made for further increases to 250 tons per day. With increased capacity it is anticipated that lower costs will prevail. The company's working capital showed an increase over the previous year notwithstanding the disbursement of $500,620 in dividends and heavy capital expenditures.

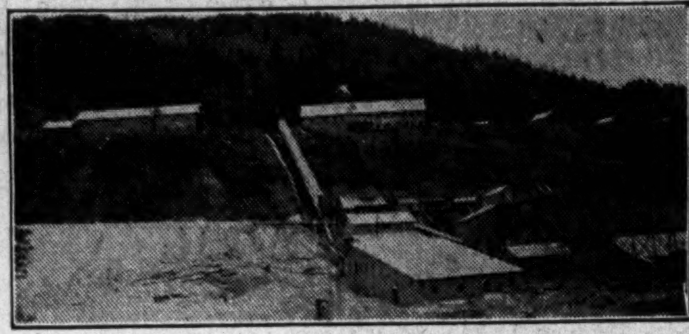
The following tabulation gives comparative working capital for the past two years:

Working Capital

Current assets	475,702	381,584
Current liabs.	90,173	27,876
Working capital	385,529	353,708

The annual meeting of the company is called for March 31 in Montreal.

Bralorne Concludes Successful Year



After years of difficulty the Lorne property in the Bridge River area of B. C. got sufficient finances to permit the construction of a 100-ton mill a year ago. Since that time gold has been produced to the value of approximately $600,000.

T. W. Bathurst Brings Out Gold Makes No Return

Some little excitement was created in mining circles early this year when press reports stated that T. W. Bathurst, president of Bathurst Mines, had brought out $7,500 in gold produced from the company's property in the Woman Lake area, Patricia district, Ontario, during the last winter.

The real facts of the case are now leaking out as the result of an inspection by the Provincial Police who went from Gold Pine to the Bathurst camp. It appears that the find was not made on the property held by Bathurst Mines, but on some other claims that had been recently re-staked by two prospectors. Bathurst agreed to provide a small milling plant in return for a share interest. The reported production of $7,500 in gold was a result of the clean-up from the test mill, which appears to have been nearer $1,400 than $7,500. Bathurst brought the gold out, but omitted the formality of making report to the Ontario Department of Mines as is required by law. A share of the proceeds has not yet been sent to his comrades who are still awaiting his return in the bush.

Bathurst is said to be at Port Dalhousie, Ontario. Dr. F. P. Quinn, secretary-treasurer of Bathurst Mines, advised The Financial Post that no accounting had been made on the company. It has not been legally reported to the Ontario Department of Mines and it is understood that it has not been received by the Royal Mint at Ottawa. Inasmuch as it is illegal to export gold from Canada, the marketing channel for this gold is now the subject of much speculation.

Waite-Montgomery Mines Current Assets $176,207

In the annual report of Waite-Ackerman-Montgomery Mines, for the year ended December 31, 1932, J. Y. Murdoch, K.C., president of the company says "it is regretted that the present price of copper and zinc and general world conditions do not warrant the reopening of your property nor any statement as to the probable date of recommencement of operations."

Operations were suspended on May 1, 1932. During the summer bush fires destroyed some of the camp buildings, which, however, were covered by insurance.

The balance sheet shows current assets of $176,207 and current liabilities of $2,213, leaving a working capital of $173,994 with which to meet shut down expenses. Working capital as at December 31, 1931 was $178,924. All of the 2,000,000 no par value shares are outstanding.

HOWEY DIVIDEND BEFORE YEAR-END IS OFFICIAL'S HOPE

Depends on Exchange Compensation Holding Until Mill Enlarged

Shareholders of Howey Gold Mines meeting in Toronto on March 17, were told by the company's president, R. T. Birks, that they might look forward to a dividend before the end of the present year if the current rate of production and exchange compensation holds up until the mill additions are completed this fall.

In the event of Canadian funds reaching parity, eliminating the exchange compensation, the view was expressed that the increased mill capacity and lowered cost would offset this present source of revenue.

The general trend of the grade of ore from the surface to the 1,000 ft. level has been toward improvement, but indications pointed to a lower grade below that horizon according to the view expressed by F. D. Reid, manager of the company.

Value Improves With Work

Several levels of the mine showed little or no ore when originally opened up, but produced good tonnage and values when filling out was undertaken, Mr. Reid observed. Values are very erratic, but in practically every case actual recovery has shown better grade than indicated by sampling. No diamond drilling has been done below the 1,315 ft. level nor has there been any provision made for shaft sinking below this horizon.

With the addition to the mill completed, at a cost of about $110,000 to $115,000, Mr. Birks stated that the company will be able to reduce costs to about $1.75 to $1.80, against a rate of $2.47 prevailing in 1932. Costs at the present time are around $2.40, he remarked. In regard to the additions to the mill, which will step up tonnage to around 1,300 to 1,400 tons, some machinery has now been ordered for installation, and it is expected that the mill will be in operation by the first of October. With the above addition to the mill, all mill space will be utilized, and any further increase will necessitate new buildings, etc., which will cost more than the present programme.

Cherry Loan Retired

President Birks stated that the significant feature of the balance sheet was the retirement of the Cherry loan. This was done, he stated, without jeopardizing the future of the mine. Not only were ore reserves substantially the same as in the previous year but the company paid off all its development costs below the 1,000-ft. level, he remarked. In regard to transportation, the company recently entered into a contract which will mean a saving of about $25,000 for the present year, and Mr. Birks said that this item was not the problem it was several years ago.

The existing board of directors was re-elected for the ensuing year.

Dr. S. W. Smith of Royal Mint Visits C. I. M. M.

Canadian mining is to be given a unique mark of recognition by the attendance of Dr. Sidney W. Smith, president of the Institute of Mining and Metallurgy, of London, England, at the annual convention of Canadian Institute of Mining and Metallurgy to be held in Toronto early next month.

This is the first time in 34 years history of Canadian mining that the big English association has sent a delegate and it is considered a tribute that a man with the broad experience of Dr. Smith should journey 3,000 miles to exchange felicitations and knowledge with mining men here. Dr. Smith has spent many years on the Rand in South Africa and has been closely identified with metallurgical research. He is the author of many books on the subject. For the past seven years he has been chief assayer of the Royal Mint in London.

Initial Offering Made God's Lake Gold Mines

To finance the pioneer gold find at God's Lake, Manitoba, made last summer by Robert Jowsey, an offering is being made of 500,000 treasury shares in the newly formed God's Lake Gold Mines at 30 cents per share by Cameron, Pointon & Merritt, members of the Toronto Stock Exchange, Toronto.

The company's property embraces some 69 claims totalling about 4,000 acres in a consolidation of the Rand, Reno, Gold Standard, Elk, Green Stone, Cona and Akers group, and extends along the formation for nine miles. Along this strike and included in the group four major gold discoveries have been made over a distance of five miles.

The company is capitalized at 3,000,000 shares, of which 1,000,000 shares have been issued in full payment for the property, and these shares are pooled definitely for a period of two years.

E. L. Brown, M.E., has been appointed to take full charge of operations and is now at the properties with a crew of men. Contracts have been let for an extensive diamond drilling campaign, which will be commenced immediately.

Officers and directors of God's Lake Gold Mines are: President, R. J. Jowsey, Toronto; H. R. Drummond-Hay, vice-president, Winnipeg; R. E. Forde, treasurer, Winnipeg; Fred Larn, secretary, and A. J. Milligan, Winnipeg.

H. R. Bain & Co. Sponsors Gold Shares

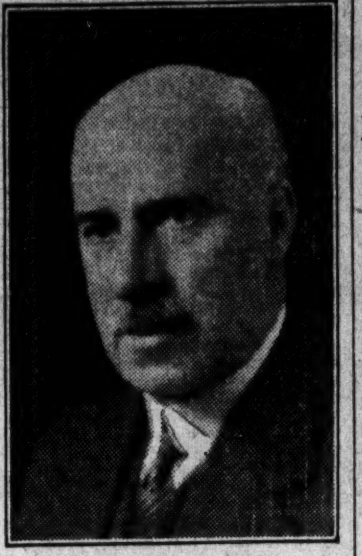
H. R. Bain & Co. Ltd., since 1923 dealers in bonds and stocks at Toronto, announces that the company has organized a division for the purpose of underwriting the shares of gold mining companies with definite bodies of ore, which require capital for milling and mining operations.

The company announces an affiliation with one of the largest groups of exploration and development operators in Canada. At least one of the group's properties, which is now financed to erect a mill immediately, will be offered to the public. Large amounts of capital have been expended by a comparatively few people to develop the property to the production stage. Recent developments also have broadened the mining situation at the property.

A mining engineer is to advise the Bain Company and report upon all properties which are considered for financing.

Mr. Bain says that the division of Northern Canada golds will make the first offering at an early date in association with a number of leading financial houses.

Head of I. M. M.



SYDNEY W. SMITH, A.R.S.M., D.Sc.

President of the Institute of Mining and Metallurgy, London, Eng., who is visiting Canada and will address the annual meeting of the Canadian Institute of Mining and Metallurgy at Toronto in April.

New Mines Handbook Ready for Distribution

The 1933 edition of the Canadian Mines Handbook, now out, names a total of 2,555 Canadian mining companies, as compared with 2,200 last year.

The handbook, as usual, covers the leading mining companies and furnishes a ground pattern for followers of mining. The book's 219 pages embrace 484 active companies, 2,037 inactive companies, and 34 oils. Included in the active list are only those enterprises which are actually alive.

This new edition is published by Northern Miner Press. Brokers are now distributing copies to clients. A copy may be secured from the publishers.

CONIAGAS MINES REPORTS PROFIT OF $8,846 IN 1932

Dividend No. 59 Brings Total Disbursement to $11,547,000

Annual report of Coniagas Mines for the year ended December 31, 1932, reflected a decline in the company's working capital to $1,626,018 from $1,708,978 shown the previous year.

Income from investments totalled $62,141, profit on sale of securities $7,611, while miscellaneous income was $1,155, or a total of $71,907.

General and administrative expenses, preliminary development and amounts written off prospecting totalled $62,061 leaving a net profit of $8,846 for the year as compared with a deficit of $12,199 in 1931.

Hold Coniaurum Shares

Dividend No. 59, at 12½ cents a share, was disbursed on January 10, 1933. This brought the total dividends and bonuses paid by the company to $11,547,000. Dividends were inaugurated in 1907 but had been passed since 1924, with the suspension of the company's silver mining activities at Cobalt.

The company operates principally as a holding and exploration company with a substantial share interest in Coniaurum Mines. In 1932, jointly with Bobjo Mines, the company staked claims at God's Lake, Manitoba, receiving shares in the newly formed God's Lake Gold Mines for this interest.

These shareholdings in God's Lake Gold Mines have been principally optioned to a group associated with Bobjo Mines.

The annual meeting of the company is called for March 24, in Toronto.

Sees Larger Cattle Shipments

H. C. Schofield, chairman of the Saint John Harbor Board, back from Montreal, sees prospects of cattle shipments through the Port of Saint John rising to nearly 10,000 head.

N. C. URQUHART & CO.
STOCK BROKERS
Members Standard Stock and Mining Exchange
15 King Street West Toronto, Ont.
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Doherty Roadhouse & Co.
MEMBERS STANDARD STOCK & MINING EXCHANGE
Mining Securities
51 King St. West Toronto

Parkhill Gold Mines
A PROMISING PRODUCER
Market Letter Covering Latest Developments on request
Grant Johnston & Co.
MEMBERS MONTREAL STOCK EXCHANGE
MEMBERS MONTREAL CURB MARKET
250 NOTRE DAME STREET WEST — MONTREAL

We offer
Subject to Allotment

500,000 treasury shares
God's Lake Gold Mines
LIMITED
(No Personal Liability)
Incorporated under the laws of the Province of Manitoba

CAPITAL
3,000,000 Shares No Par Value — Treasury—2,000,000 Shares
Issued For Property—1,000,000 Shares (Pooled)
Head Office—395 Main Street, Winnipeg, Manitoba

TRANSFER AGENTS AND REGISTRAR
The Trusts & Guarantee Co., Limited, Toronto — The Head Office of the Company

SOLICITORS
Messrs. Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay, Winnipeg, Man.

OFFICERS AND BOARD OF DIRECTORS
President—R. J. Jowsey, Toronto
Vice-President—H. R. Drummond-Hay, Winnipeg — Treasurer—R. E. Forde, Winnipeg
Director—A. J. Milligan, Winnipeg — Secretary—Fred Larn, Winnipeg

This Company has been formed to explore and operate a group of sixty-nine claims, comprising approximately 4,000 acres—including the main group discoveries in the new God's Lake Mining District in Manitoba. The property of the Company is a consolidation of the Rand, Reno, Gold Standard, Elk, Greenstone, Cona and Akers Groups and extends along the formation for nine miles. Along this strike and included in the group, four major gold discoveries have been made over a distance of five miles.

The geology is typical of the Ontario gold camps. The gold discoveries occur in a strong shear zone cutting this formation through the length of the whole group. These discoveries have been sampled by a well-known engineer and showed such consistent gold values that the management believes considerable bodies of profitable gold ore should be opened up when development is under way.

Mr. E. L. Brown, M.E., a highly regarded Mining Engineer, has been appointed to take full charge of operations at the property.

The Vendors have transferred the whole of their right, title and interest in the sixty-nine claims to the Company in consideration of the issue of one million fully paid and non-assessable shares of the Company.

All Vendors' Shares are pooled for the period of two years with the Toronto General Trusts Corporation, Winnipeg, Manitoba.

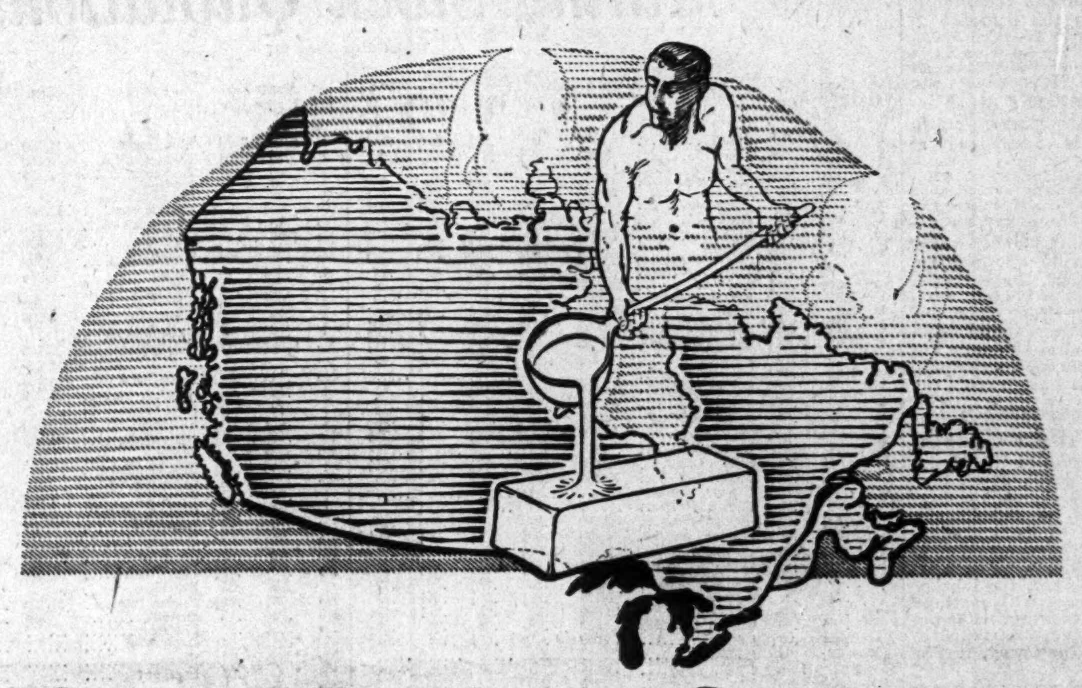
The Company has no debts or liabilities whatsoever.

PRESENT OFFERING
500,000 Treasury Shares at 30c per Share
(Subject to Allotment)

We recommend these shares as a speculation in a gold mining development which we believe to be fully justified by reason of the experienced management and excellent geological conditions.
Orders may be telegraphed at our expense, or they can be placed through your own Broker.

Cameron, Pointon & Merritt
Members: TORONTO STOCK EXCHANGE
44 Adelaide Street West - Toronto

The statements contained in this advertisement, while not guaranteed, are based upon information and advice which we believe to be accurate and reliable.



CANADA'S GOLDS

An Announcement Regarding the Entry of a Long-Established Bond House into the Field of Gold Production

WE desire to announce to our clients and to the public, the establishment of a well-organized division for the underwriting and distribution of the shares of Canadian gold companies which have entered or are ready to enter the production stage.

For many years we have been engaged in the business of distributing the securities of governments and municipalities, and thousands of bond buyers in Canada have entrusted to us their commitments and entire portfolios of purchases. Our business in this branch of finance gradually has been built to nation-wide proportions, and not only will be continued, but extended as conditions demand. Our facilities in the bond business have recently been enlarged and our services designed to give the most competent counsel available not only as to Canadian but as to world bond and financial trends.

In reaching a decision to enter into the organized investigation and distribution of certain selected Canadan gold shares, we are actuated by the conviction that no Canadian investment house with an interest in all phases of Canadian development, and especially of development based on natural resources of the Dominion, can fail to realize the basic importance of producing gold in Canada. The steady growth and demonstrated stability of our producing gold properties has been in the relation of a sheet anchor and a balance wheel to our economic, and, in a considerable degree, to our industrial and commercial structure.

By sheer magnitude of performance and the highest known degree of efficiency our Canadian gold producers have beaten down the disbelief, the skepticism, and the inertia of our investors as to the enduring and constantly advancing character of our gold mining industry.

We have learned that the business of gold production in Canada is more than a gamble and alters all old conceptions of gold production built up in those countries where producers are suddenly established and rapidly exhausted.

We have seen our older Ontario golds such as Hollinger, Dome and McIntyre counting their histories in decades rather than years, and season by season opening new ore bodies by deep mining operations which were visualized by few of their most sanguine supporters.

We have seen the transition of the infant mines of Kirkland Lake into the giants of gold production. The remarkable addition of a substantial gold future to the provinces of Quebec, Manitoba, and British Columbia is before our eyes. We have seen the building of our great mining profession in its many branches, until we know that many of the secrets of Pre-Cambrian treasure vaults have found their masters.

When the word "security" became almost a byword in the mind of the public, we have seen these "gold speculations" stand up as one of the few impregnable fortresses of the investor in this continent or the world. We have seen these shares turn from scorned "scraps of pretty paper" to gilt-edged banking collateral; and we have seen early investments in these gold deposits weather the storms of market disaster and attack, of crumbling faith and chilling distrust, for the reason that deep down in the northern rocks of Canada men are finding more and more of the one rare element to which the world from time immemorial has pinned its faith for an economic measure of all human relations of trade and exchange.

We realize that the public always has been and always will be interested in the shares of producing or developing gold properties through the medium of the stock exchanges. The altogether legitimate function of the stock exchanges is to provide those who desire to sell or purchase shares with the highest service and guidance.

We conceive the function of an investment and distributing house to be the forming of connections with the owners of properties brought to the stage where further capital is required to ensure gold production by these properties, and the distribution of these shares on the merit of their potential production apart altogether from the stock markets. We believe in the "long hold" road to the building of fortunes from gold production. We shall stress the speculative features of such issues as we may handle, but certainly shall feel no need of apology for sponsoring the shares of the companies in whose interests we have decided to give the full support of our experience, connections, and knowledge of share distribution.

We have been able to form connections with certain leading groups in the mining industry whose records are woven through the progress of gold development in Canada. These men have re-invested their own fortunes in the future of Canadian gold, and such issues as reach the public through our facilities will bear the imprint of the faith of their owners in the form of substantial private support. We also shall have the benefit of sound engineering and other technical advisors who have joined our staff and shall endeavour to bring to the public the shares of gold companies at prices commensurate with the risk necessarily involved, but bearing a counter-balancing proportion of the possible rewards which come from successful selection of young Canadian gold producers.

In order that our clients and the public may learn more of our plan for the offering and distribution of these shares, we are now issuing a house magazine called "Canada's Gold", prepared by our Division of Northern Canada Golds. As this publication is prepared through close association with leading men in the gold industry, we believe it will carry a new and dependable message, and be of interest and value to every person interested in the advancement of greater northern gold development.

A copy of "Canada's Gold" will be forwarded on request.

We invite enquiries from financial houses and correspondents.

Division of Northern Canada Golds
H. R. BAIN & CO. LIMITED
Investment Bankers
TORONTO ST. CATHARINES KINGSTON OTTAWA